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45th ANNUAL INTERNATIONAL CONSUMER
CREDIT CONFERENCE

★ JUNE 21-25, 1959

DALLAS, TEXAS

NATIONAL RETAIL CREDIT ASSOCIATION
ASSOCIATED CREDIT BUREAUS OF AMERICA
CREDIT WOMEN'S BREAKFAST CLUBS OF NORTH AMERICA

the **CREDIT WORLD**

ONLY PUBLICATION SERVING THE ENTIRE FIELD OF RETAIL CREDIT

MAY 1959



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NATIONAL RETAIL CREDIT ASSOCIATION
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CREDIT WOMEN'S BREAKFAST CLUBS OF NORTH AMERICA
CREDIT GRANTERS' ASSOCIATION OF CANADA
ASSOCIATED CREDIT BUREAUS OF CANADA

DALLAS, TEXAS
JUNE 21st TO 25th
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The CREDIT WORLD

REGISTERED IN THE UNITED STATES PATENT OFFICE

OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION

EDITOR Arthur H. Hert
ASSOCIATE EDITOR Leonard Berry

Editorial and Executive Offices: 375 Jackson Ave., St. Louis 30, Missouri.
Advertising Representative: Ralph Duysters, 70 E. 45th St., New York 17.
Washington Counsel: John F. Clagett, 301 East Capitol St., Washington 3, D. C.

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Official Notice

To All Members of the National Retail Credit Association:

You are hereby notified that the 45th Annual International Consumer Credit Conference of the National Retail Credit Association will be held in the city of Dallas, Texas, June 21, 22, 23, 24, and 25, 1959, for the election of officers and six directors-at-large, and the ratification of the directors elected by the respective districts, also the installation of officers and directors and the transaction of such business as may properly come before the meeting.

Officers Whose Terms Expire:

President, J. C. Gilliland, Minneapolis, Minnesota; First Vice President, David K. Blair, San Francisco, California; Second Vice President, Earle A. Nirmaier, Newark, New Jersey; and Third Vice President, L. A. Brumbaugh, Phoenix, Arizona.

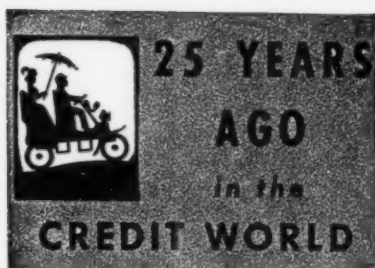
Directors' Terms Expiring in 1959:

The terms of the directors for Districts 1, 2, 3, 4, 5, 6, and 7 and six directors-at-large expire at the Conference. The directors elected by Districts 1, 2, 3, 4, 5, 6, and 7 will be ratified and installed for two-year terms and six directors-at-large will be elected and installed for two-year terms.

L. S. CROWDER
General Manager-Treasurer

Attest

ARTHUR H. HERT
Secretary



THE FEATURE article in the May 1934 CREDIT WORLD was written by A. B. Buckeridge, Executive Manager, Credit Bureau of Greater New York, entitled "The Big Bad Wolf Loves Lax Collections." He said, "Don't ever tell a man to pay when he feels like it, either when opening an account or when contacting him when his account becomes past due."

Small stores also had credit problems so Fred A. Hadley, Credit Manager, Central Tire and Supply Company, Minneapolis, Minnesota, contributed an article on "Small Store Credit Problems." He advocated that small merchants, a. join local credit association, b. secure complete credit application, and c. check application with local credit bureau.

C. O. Jensen, Manager, Retail Credit Department, Zion's Cooperative Mercantile Institution, Salt Lake City, Utah, contributed an article entitled "A Cooperative Department Store Founded by Utah Pioneers." This was a story of the history of the institution founded in 1868.

George J. Kohn, Treasurer, Lehigh Lumber Company, Allentown, Pennsylvania, was the author of an article "Credit Problems of the Retail Lumber Dealer." He outlined the credit problems for that industry.

"The Credit Executive—A Factor in Recovery" was the title of an article written by A. J. Clarke, Credit Manager, Hastings Clothing Shop, San Francisco, California. He related what part credit executives should play in the recovery period following the depression.

F. E. Dillman, McCook Credit Association, McCook, Nebraska, told those engaged in the loan business to "Look—Before You Loan!" He explained a loan application should contain identity, history, character, resources, and credit record.

"Letters That Build New Business" was the subject of an article by Dean Ashby, Credit Manager, M. L. Parker Company, Davenport, Nebraska. This was the concluding article of a series of articles written exclusively for The CREDIT WORLD by Mr. Ashby.

Mildred Newton White, Assistant Secretary, The Credit Bureau, Huntington, West Virginia, was the author of an article "National Members Are Better Local Members."

Editorial Comment, The President's Message, News of the Credit Women's Clubs, and the Washington Bulletin completed the May 1934 issue of 25 years ago.—A.H.H.

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Please Mention THE CREDIT WORLD When Writing to Advertisers

The ECONOMICS OF CREDIT SELLING

T. G. While

MR. WHILE is Manager, Budget Sales, Goodyear Tire and Rubber Company, Akron, Ohio. This is an address which he gave before the Fall Conference of the American Retail Federation, Washington, D. C.

THIS SUBJECT is important to the welfare of our nation because of the vast flow of goods to consumers on various credit plans. This steady increase in credit selling merits more attention by retail management today as state legislatures in many areas press for new laws to protect buyers and the sellers from fraud and abuse.

My comments will attempt to focus our thinking in two areas:

1. How has credit selling helped the ultimate consumer and the retailer?

2. What are the objectives of credit sales legislation that will help our people attain higher living standards?

Credit selling has been with mankind since the early days of barter and exchange. The buyer's reputation and his standing in the community determined the degree of trust he enjoyed from his neighbors. As trade increased and new markets were sought, instalment selling came into being; this was about A.D. 1400 in Scotland.

The first item to be sold on a monthly payment plan was the Wycliffe Bible sold house to house with a collector who returned at regular intervals. In this first venture of instalment selling, it was readily recognized that the Bibles could be sold at a lower price if full cash payment was made at the time of the sale. Then as now, terms helped to sell the item and a price was established that included the service of personal contact and follow-up calls for collection. This beginning of instalment selling introduced a "time price differential" factor and this has continued for over 500 years.

About 250 years ago also in Scotland, general merchandise was first sold on a definite deferred payment basis. The buyers were permitted to satisfy their needs and pay for the purchase while it was being used.

It is a surprise to most of us that Americans did not invent instalment selling which we have so well nurtured and developed. It has been the companion of our mass production methods and has enabled our workers to enjoy the fruits of their labor. Despite many abuses by a few unscrupulous merchants, it has per-

formed miracles for the American economy. This seed that combines "incentive to own with responsibility for payment" is now being transplanted and nurtured throughout the world.

The most favorable "climate" for credit selling is a dynamic economy where durable attractive merchandise is available to prospects with steady employment and sufficient discretionary money to cover the payments.

America's history reflects this trust and confidence we share with one another to keep our people gainfully employed and mills running producing units of service for better living.

When we look at the retail market we find that 20 per cent of the American public possess ample cash; 75 per cent are considered the middle market while only five per cent are considered in the most limited market. This is what is known as "America's Economic Hill." At the top there are very fine homes with all available conveniences, by contrast at the lower extreme people live with minimum facilities, striving for the bare necessities of life. We are fortunate to have almost 20 per cent of our families enjoying residences at the summit. They usually have a lovely home, two or more automobiles and sufficient cash to cover all of their purchases.

The Carriage Trade

In contrast to the "Carriage Trade," we also have the financially distressed—perhaps five per cent of our American families. In some areas of the world, as many as 90 per cent of all families might be at this lower level. This group has little or no money for trade and commerce so the economy is retarded when this group grows.

We have about 75 per cent of all buying units in the great market pictured between the two extremes. This group representing the "middle retail market" today enjoy better living and many of the luxuries that were formerly reserved only for the very wealthy. They have improved their own position and have lifted the standards for all. Markets have

been increased by their use of credit buying as this group absorb on the various credit plans 70 per cent of the washing machines, 80 per cent of the television sets and throughout retailing they usually dominate the market.

Credit buyers recognize that there are expenses involved in furnishing credit facilities. The price for credit services has been reasonable and complaints by the buyers have been few.

Credit service charges are controlled by costs and competition! The good merchant will not abuse his credit customer because of the important sales and profit potentials involved. Improper handling or taking unfair advantage of a credit customer creates first a collection problem, and eventually, the loss of the buyer as he transfers his trade to a merchant with higher standards of customer relations.

Abuses in the credit field are usually short-term advantages fostered by the "get rich quick" operator and all of us lose by this group's action. We all desire the credit buyer to receive every reasonable protection including a copy of the contract with the cash price and the addition for credit service or insurance clearly indicated. When the contract reveals these details, it is referred to as "full disclosure policy." The history of retailing indicates that this policy is best for the buyer and equally good for the merchant because it encourages complete understanding and repeat sales.

Those of us that work directly with credit buyers have great confidence in the average American's ability to pay. Many who work in other fields (including legislation) may not have the opportunity to experience and appraise consumer credit. To many persons consumer credit appears dangerous or an explosive influence in our economy.

Let us look at America's indebtedness to evaluate its influence.

TOTAL DEBT (in billions)

	Owes
Consumers	\$115

The first element of total debt is consumer debt and this depends heavily upon current consumer income. A recent study listed consumer debt as \$115 billion with little change in ratio of debt to national income and the consumer's capacity to pay when compared with similar data for 1938, 1948 or today.

Consumers are not alone with debts. Manufacturers and retailers also have debts. Some are long-term debts from banks and financing

agencies—the total for this group is \$260 billion. It is better secured than consumer debt, but, it is greatly influenced by the consumers' ability to buy and steady employment so they can pay.

A third type of debt involves our financing institutions. Each time we put \$100 in the Bank or the Savings and Loan Association, that organization is in debt to us for the \$100. Financing organizations have a big responsibility to their depositors as they owe them approximately \$310 billion.

Last but not least, the federal debt which involves all of us stands at approximately \$280 billion.

The total looks something like this.

TOTAL DEBT (in billions)

	Owes	Holds
Consumers	\$115	
Retailers and Manufacturers	260	190
Banks and Financing	310	330
Government	280	60
	\$965	\$965

If we look only at the debts, our viewpoint will be distorted in the same manner as when we concentrate only on negative thinking. When we are inclined to worry about our American economy due to debts, let us look to the other side of this issue and say, "Who holds this debt?"

Ability to Tax

While the government has \$280 billion to pay out, they have about \$60 billion due them from duties, income taxes and other sources. From a "financial statement analysis," it looks as though our federal government should be put on a C.O.D. basis, if it were not for their "ability to tax."

Our banks and financial agencies are solvent but most of the money they have access to belongs to others. Their funds or money dues total \$320 billion invested conservatively throughout our economy to encourage production and marketing with a minimum of risk.

Retailers and manufacturers are not solvent from a "debt of money" as they hold only \$190 billion versus debts of \$260 billion. They could easily liquidate some of their vast holdings in inventory and other assets to pay off this deficiency. If they were to pay off these obligations, the American economy would be greatly affected as payrolls and production would suffer sharp reversals.

The consumers holdings surprise us. It is a comforting thought to know that the American consumers as a group are in a sound position,

increasing their savings and investments at a faster rate than they increase their debts. This does not imply that every individual is in good position, but, our consumers as a group merit great confidence. Most of the money that is used to finance consumer debt actually comes from the consumers themselves. They owe \$115 billion but have others owing them \$385 billion.

A summary of these figures show:

TOTAL DEBT (in billions)

	Owes	Holds
Consumers	\$115	\$385
Retailers and Manufacturers	260	190
Banks and Financing	310	330
Government	280	60
	\$965	\$965

We have encouraged our people to buy on credit and we have taught most of them the responsibility for paying their debts. The philosophy of thrift and saving taught by our grandfathers is still alive, but in a different form. No longer is credit accompanied by a social stigma. Today, credit reflects stability merited by responsibilities that were well handled in the past to justify confidence that future maturities will be paid as agreed.

Consumer credit is the working capital that enables consumers to acquire not only a better living for today, but, capital assets that will last through tomorrow. It is an investment that gives confidence and security to both consumer and retailer.

Just as there is a new concept of debt and a new method of acquiring possessions, there are new problems in the control of credit selling. Merchants are being called upon to extend terms on small purchases.

Recovering Costs

The individual does not go to the bank to borrow \$24 for shoes or a new coat. He goes directly to the apparel store and asks for services that make the merchant both a retailer and a banker. If the merchant performs these credit services, he should be in a position to recover his costs from that group of buyers. Where legislation limits the credit expense to less than the merchant's costs, the difference must be passed on to the cash buyers through increased prices or the merchant must withdraw from credit selling. The first alternative is unfair discrimination against the cash buyer and the latter choice represents killing the "goose that lays golden eggs."

While we might all agree that the

merchant should recover at least his costs, it is difficult to draft legislation to accomplish this. Costs include many items but in accounting we have two general classifications, fixed costs (that continue regardless of the volume of business) and variable or "out-of-pocket" costs (that increase as the merchant does more business).

Elements of Fixed Costs

The elements of fixed costs include wages, salaries, fringe benefits, payroll taxes, depreciation, rental space and similar items. The total of these fixed costs are high in relation to volume for small operations but decrease steadily as volume increases.

The merchant must add to these fixed costs the variable expenses including telephone, credit reports, postage, stationery, printing, calculating, advertising, adjustment sales, skip tracing costs, uncollectible accounts and cost of investment. In relation to volume the larger operators have lower costs than the small merchants. This is an important factor for us to consider in drafting legislation.

Costs are only one factor in controlling charges for credit services. Competition is an important factor because the good merchant will keep his charge rates low and offer equal services to attract steady buyers. When we analyze 12 different merchants we find that their rates for credit service are not identical nor are their costs closely related.

Some of the merchants have high expense (perhaps they are in a blighted economic area where there has been a serious depression or a strike) and it has been most difficult to collect their outstanding receivables.

Three of the merchants have very low costs reflecting efficient operations and favorable local conditions. To enact legislation requiring all of these merchants to use the same credit service charges would introduce discrimination and would greatly hamper the flow of goods to their consumers.

During Good Times

During good times consumers are able to pay better, there is less collection expense and more sales volume per customer. To legislate credit service income at a specific figure would jeopardize credit selling and adversely affect both consumer and merchant.

The study of credit service costs is a new venture to most merchants. In a recent survey of retailers selling on instalment, it was found that 89

per cent of the sellers charge 10 per cent on the unpaid balance for contracts scheduled to pay out in one year. In many cases the 10 per cent service charge did not cover expenses especially where it was necessary to open a new account or if collection activity was required.

The same study reviewed 101 retailers that were selling on a revolving charge basis. Of the 45 merchants that were charging one and one-half per cent per month on the outstanding balance, 13 per cent reported that the service charges did not cover their expenses. For the 56 stores that

and common sense but we can and should promote better understanding of the contract.

Good legislation helps protect the buyer when it requires:

A. The debtor be given a complete copy of the contract as soon as it is practical to do so.

B. The contract or basic agreement to clearly show the amount of handling charges, service charges, insurance or other fees.

C. The buyer be given an opportunity to pay off the obligation earlier than scheduled and receive a refund of part of the service charges.

Legislation to cover these points will do much to clear up abuses and misunderstandings.

In regard to limiting credit service charges, we recommend that this be studied for at least another year or until adequate data is available to insure a good decision.

In the field of retail credit there are many recent innovations including various forms of instalment credit, revolving credit, cycle billing, deferred payments, crop credit, coupon book or scrip credit and credit card billings to name only a few. These credit services all have different cost levels that will vary according to size of volume, local economic conditions plus the changes in ratio of expense to sales that also varies according to the business cycle.

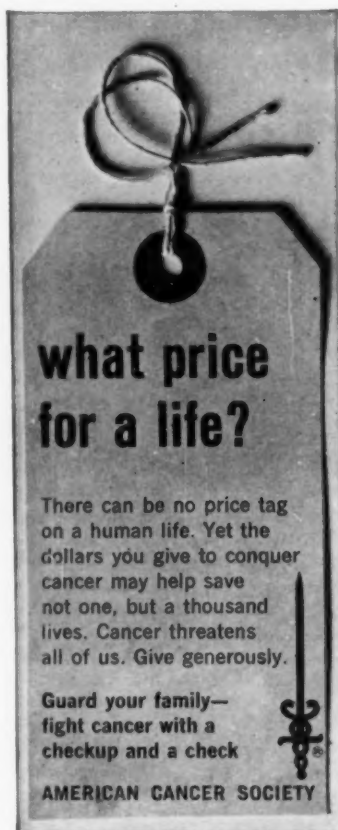
Established Limitations

When limitations are established on credit service charges, the allowable rates should be high enough to permit the small legitimate retailer to perform this service without forcing him to pass a portion of the credit expense on to the cash buyer.

Let us return to the objectives of this discussion. Our first assignment was to explain the importance of retail credit in our economy and how it is a helpful stimulant to raise our standard of living. The second assignment was to list and explain areas and methods where credit legislation would be helpful. We have tried to do this.

Our credit economy could be greatly damaged if restricted by hastily prepared bills. Let us start by preparing legislation to encourage better understanding between buyer and seller and insisting on a full disclosure of contract details. After we reach this goal, then let us proceed by studying factual data to improve this marketing media for our people.

If we follow this pattern to help both buyers and sellers, we still merit and receive support from all segments of our economy. ★★★



were charging only one per cent per month on the outstanding balance, 20 per cent report that credit service income did not recover the "out-of-pocket" expense. It is important that the merchant and legislature understand this problem that is vital to the consumer and the flow of goods.

A review of legislation recently introduced in various states reflects careful consideration of the impact that credit selling has on our economy. Most of these bills follow a pattern of protecting the buyer as much as is practical. We all appreciate that we cannot legislate honesty

The Inter-Bureau Service Team

CHARLES F. SHELDON

Philadelphia Credit Bureau, Philadelphia, Pennsylvania

WHAT is Inter-Bureau Reporting? It is national reporting. What is its purpose? Does it have rivals in private business? Why are coupons of the Associated Credit Bureaus of America used?

Obviously, inter-bureau reporting is the processing of credit information between bureaus throughout the country on applications for credit from their members. Its purpose then, *first and always*, is to provide a quality and prompt service which aids the customer.

The customer is *king*. We in credit bureaus are teammates with our members—not their masters. The credit manager and the staff in bureau member credit offices in turn serve customers. By no stretch of the imagination can we be other than always conscious of the customer. Without him we would have no business.

I think we can agree completely in postulating that it is really the customer who pays our salary. As our employer, he or she is entitled to our best efforts to serve promptly, efficiently and at a cost that will guarantee such service. Yes, our customer is truly our *king*. How best can we serve our *king* with graciousness, warmth and courtesy?

Credit bureaus throughout this country and in Canada, Alaska, Hawaii, London, England, Australia and now in Puerto Rico, make up ACBoFA. We are providing not only a national, but an international service. Strict adherence to Inter-Bureau Reporting Rules determines in large measure the quality of service offered credit granters by bureaus.

Adherence to inter-bureau reporting rules is for the most part an individual bureau responsibility. The ACBoFA staff is willing to help us at all times but they should not be expected to do our job for us.

Each of us in our own office with a willingness to operate unselfishly, must watch over our individual service as a loyal team member. In Philadelphia we do this by mailing completed reports in response to all ACBoFA Inter-Bureau coupons received up to noon on the same day. Such coupons are the means by which members of our association, the Associated Credit Bureaus of America, exchange and pay for inter-bureau reports promptly and

efficiently. Over a period of months we have mailed answers on the same day on 99 per cent of the requests received daily. Only occasionally do we require longer for furnishing an answer. If we do, furnishing an answer is a *must* for the next day.

There is another partner on this inter-bureau service team upon which prompt service depends. He is the credit manager. He controls our prompt replies by his willingness to give, as well as receive, prompt reference service.

In Philadelphia we could not mail answers on coupons received up to noon on the same day unless we obtained our retail store references by telephone. The credit manager is the only executive who can authorize such service to the credit bureau. So long as credit managers will not answer ACBoFA Inter-Bureau coupon reference requests by telephone, credit bureau managers cannot give credit managers prompt service.

This is our policy approved by the credit managers of Philadelphia as a service to our customers. They come first! However, this policy is selfish in one aspect: We hope to prevail upon all other credit bureau managers to follow our example and operate not in the furnishing of just a mutual service but to assist in supplying a most efficient national reporting service.

What will the result be? More credit reporting volume for all of us. When every credit manager in every consumer credit office thinks that ACBoFA's inter-bureau reporting service is "tops," they will not think of using other services.

Ordering service at cost is facilitated by the use of ACBoFA Inter-Bureau Coupons which are the media for both ordering and payment. The Inter-Bureau Service team member like any other team member needs to be adequately and soundly furnished. We bureau managers often forget the delightful fact that every coupon is money, i. e., our income. Each day as you open the envelopes received from other credit bureaus, imagine the coupons as shining coins and bright new dollar bills. Similarly, as you open up the completed report for your member, picture the shining new dollar bills that you will receive in payment for

(Continued on page 11)

SPEED UP COLLECTIONS



WITH

Curtisee MAILERS

EASY TO USE

THRIFTY TO MAIL

3 units in one. Outgoing Envelope, Delinquent Notice and Return Envelope.

CURTISEE MAILERS are delivered folded and sealed, ready for addressing.

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- The handy Return Envelope invites immediate action.
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1000 UNIVERSITY AVE., ST. PAUL 4, MINN.

Curtis 1000 Inc.

Please send kit of CURTISEE MAILERS for collecting delinquent payments.

NAME
FIRM
ADDRESS

Clip this coupon to your letterhead.

Customer Relations

J. C. GILLILAND

Credit Sales Manager, Fingerhut Manufacturing Company, Minneapolis, Minnesota
President, National Retail Credit Association

THE CUSTOMER RELATIONS problem is one that we all have. Most of us like to *think* we are handling it successfully, but actually some of us fall far short of meeting the challenge. This problem is so common that literally tons of paper and ink have been used to discuss what it is, why it is, where it is and what to do about it.

As a perennial student of consumer credit, I have books and magazines and conference proceedings and newspaper clippings by the cartons full. Despite periodic house cleanings, my present material goes back as far as 1941. When I started to prepare this paper, I was looking for a new slant, a new angle, that might give this old topic the new, swept-wing, torsion balanced, dynamic, forward-look. I did not find it. Try as you will, it seems impossible to treat this subject in any but a serious manner. Maybe because it is a serious subject.

Since I could not find a new suit to dress up my subject, I decided to see how the patterns used to clothe it in recent years compared with those used years ago. I found certain statements and suggestions being repeated by different men and women, by experts and novices, in articles written in 1941, 1946, 1950, 1954, 1956, in May 1957 and in 1958.

In my opinion, causes and cures that produced the same effects in 1958 as they produced in 1941, probably reacted the same way long before that and will react the same way far into the future. In short, they are basic. If we know them and honor them, they will serve us well. What are they?

First, let us recognize that good customer relations, for which we are striving, is essentially the same as good will, which in turn results from good impressions. So, to achieve good customer relations we must avoid creating bad impressions and be constantly alert for opportunities to create good impressions. The solution to our problem is just as simple—and just as difficult—as that.

Good impressions and bad impressions are created in the minds of people we have yet to meet. They get them second-hand from customers we *have* met. The bad ones can keep business away from you.

Getting back to our writers on customer relations, what does the distilled wisdom of the years, as gathered together in their articles, indicate are positive ways of creating good impressions?

1. Make your credit office cheerful, inviting and comfortable, even if it is stuck in an out-of-the-way corner. (Of course, there is no need to do this if the approach to the office is through a dingy, cluttered and unattractive merchandise section. The customer will not need credit for the things she does not buy.)

2. Pay attention to her the moment she arrives at the office. Even if you are busy with another customer, at least acknowledge her presence by a smile and a nod, perhaps towards a comfortable chair. Get to her as fast as you can, then attend her as leisurely and pleasantly as her needs require. Do not serve later arrivals before her without explanation or her approval. Do not forget the smile. I have what is known as the long pan or sour puss. I blame it on the fact that I got into the credit field by first operating a collection agency and listening to the saddest stories in the world, the saddest one being,

"I ain't got the money." However, even I was able to smile at, and be courteous and honest with, enough customers to build up a good "Personal Trade" following. (You, too, can do it.)

3. Avoid practices that could embarrass good customers. Provide privacy for sufficiently personal conversations. Do not be like the sadistic shopkeeper who planned to open a credit store in Holland "just to get more customers in Dutch."

4. Make sure the new customer understands the kind of account she has opened, her account terms, billing practices, and use of the account. Some stores repeat this information, or most of it, three times during the interview, in the "thanks for opening an account letter," and on the statement. One writer reports that his interviewers keep informed of the store's special merchandise offers and newly received merchandise. At the termination of the interview, even though the customer knows the account has not yet been approved, they suggest that the customer see the new items before leaving the store. It is just another way of showing a personal friendly interest in customers and making them feel appreciated. They love attention.

5. Mail statements out without undue delay. Be sure they are clean, neat and without obvious errors. A sloppy appearance and inaccuracies reduce confidence in your ability to serve.

6. Base your collection policies on the fact that customers *want* to pay their bills. (Of course you cannot do this if you extend the original credit on an unsound basis. Everyone is *not* entitled to credit.) Your follow-up should be consistent, reasonable and businesslike. You never develop good will by laxity in follow-up. Courteously, insist upon payment or an explanation. A customer can prove his inability to pay. He cannot justify a failure to explain. On the other hand, your good paying customers are entitled to occasional privileges. For example, stores in both Atlanta and Dallas have told of willingly allowing good customers to skip paying for a vacation month. They believe, as do many other good merchants, that occasional extra courtesies like this pay substantial good will dividends.

Appreciate Their Promptness

Do not neglect telling prompt payers that you appreciate their promptness. The least you can do is to put a "Thanks for your prompt payment" sticker on the zero balance statement. The N.R.C.A. has two or three of this type you can buy for a small sum.

Mention of zero balances reminds me of so-called inactive accounts. Did it ever occur to you what "Inactive" quite often means? It means a *lost* charge customer. Certainly the customer, if alive, still has needs to be filled and someone is filling them. Perhaps you are getting some of her business for cash, but you know that means less total sales than if she used her account. You owe it to your store to find out the reason for inactive accounts.

I admit it is difficult to get many customers to give the real reason why they stopped using their accounts. However, unbiased surveys have revealed some of them. The

major cause of lost customers is *indifference*, as reflected in poor service or discourteous treatment. Sixty-eight per cent of those surveyed gave these causes as their reasons for not buying again. Unadjusted complaints caused another 14 per cent to buy elsewhere. In effect, 82 per cent of the lost customers resulted from someone's failure to impress them with the idea that they were wanted, were important to the business, and their business was appreciated. People want to be appreciated and recognized. Customers are people.

The story is told of a successful merchant who spent a half hour of his own time helping a sub-teenager select a 25 cent handkerchief because she asked him to wait on her. Two businessmen, waiting to see him, asked why he wasted his time on the small transaction. His answer, "She is the fifth generation of that family to trade with us."

7. Maybe you were surprised to hear that 14 per cent of lost customers arose from unadjusted complaints. You thought the figure would be higher. That is because many retail people dread complaints and magnify the relative few into a multitude. They almost automatically get set to resist when a complaint appears. Actually, even though all of us would rather not have complaints, they are most often golden opportunities to create good impressions. It all depends upon your attitude.

Your attitude must encompass at least two beliefs. First, that the customer is doing you a favor by complaining to you and giving you a chance to explain rather than publishing far and wide that you are an unreasonable scoundrel, or worse. Second, that in the customer's mind, she has a justifiable reason to complain. You are on safe ground with the second belief because the number of customers with manufactured complaints are few and far between. In a few cases, the specific complaint is concocted in retaliation for some real or fancied neglect by you of the customer's interest.

I have indicated some of the roots of complaints. They grow in the soil of inattention, indifference, and discourtesy. Sometimes causes outside your control create complaints. For example, the merchandise source that promises open stock availability, but does not have it when a replacement is needed. Or, the sales clerk who, through ignorance or by design, proclaims miraculous, but non-existent qualities for the new material. Or, the delivery man who slammed the door and woke the baby.

Rules for Handling Complaints

Regardless of the cause of the complaint, definitely sound methods for handling most of them have been evolved and proved over the years. The *first* and *most important* rule is this:

1. Greet the customer courteously and with sincerity. If possible, seat her in quiet surroundings. Then, *listen attentively and without interruption* until she has finished her story. If she has been talking loudly, pitch your voice so low it is relatively a whisper, compared to hers. Quietly ask any questions needed to get a clear understanding of the exact nature of the difficulty.

2. Next, agree that she is quite right in complaining. Remember, she thinks she has presented a logical case. When you agree with her, when the opposition she expected does not occur, the chances are that her attitude will become reasonable. She realizes you are very intelligent and listen to reason.

3. With mutual respect established, you can now discuss the pros and cons. In most cases, the customer will have a legitimate complaint or, at least, one that will not be too difficult to adjust, even if slightly out-of-order. It costs a lot of money to get her as a customer

originally and she can influence others to stay away from your door. Is it not more profitable to be generous for the present, in order to gain future profits, than to drive her away from the store? If necessary, try to get her to determine what adjustment should fairly be made. Sometimes all she wanted was to have someone listen to her sympathetically.

4. Once you have decided on making the adjustment, do it *now*, do it *willingly* as though it is a privilege and a pleasure, and thank her sincerely for being so considerate in giving you the opportunity to adjust one of those "rare, but human, mistakes," etc. Do not try to dodge responsibility; do not shift her from person to person; and do not delay. If more time is needed to adjust the complaint, carefully explain why and how long. Make certain you follow through on the adjustment and keep her informed of your progress. Do not force her to keep after you. Sales are being lost while time is passing.

5. If, for some exceptional reason, an adjustment should not be made, use all the time necessary to make her see the reasonableness of your position. Do not become impatient. Do not argue from the "what's good for me" viewpoint. Use the angle of "what's good for customers," including her. Some concession may be the best policy.

I have recited practices and policies that apply to any complaint handling. Now, a few words about a credit department situation—bill complaints. If an error was made, apologize sincerely, tell what will be done to correct it, and thank the customer for reporting it. Then make sure the correction is made. Failure to see that a promised correction is made is a quick way to lose a customer. If others are involved, do not take it for granted they will do a proper job. Make sure they do. It may not be your job responsibility, but as the one who promised a correction, it is your responsibility to your customer and your employer.

If the bill is correct, you *could* point it out in a manner to make the customer feel she was stupid not to see it, but you had better not do so. You might feel self-satisfied, but your customer will feel more comfortable trading elsewhere. None of us like to have our shortcomings displayed. The right approach, again, is to agree that you "can readily understand how the statement (not the customer) could be confusing." Then explain the statement, quietly and clearly. Thank the customer for the opportunity to explain your procedures because "I, too, like to know how things are done. It helps me to keep my records straight."

If you are contemplating a change in your credit offers, such as going to the flexible, or chart, revolving credit plan, here is another suggestion. It is a good human relations practice to let people know in advance of changes that will affect them. In some cases, a bald announcement that such-and-such will be done creates unnecessary opposition. Most people resist change.

In my Charge Plan operation at the Pullman Bank in Chicago, when we decided to go to flexible revolving credit, I let our charge customers vote us into the change we had already decided to make. We sent them an explanation of the new plan; stated that customers liked it at stores where it had been installed and asked them to "vote" on whether they wanted us to provide it for them. They did so, four to one. We sent another letter to all of our accounts telling them how the vote was running and "answering" some questions. (Actually we were doing a second selling job.) Finally we sent the announcement that we were converting to the "one charge plan" system because of the overwhelming vote in its favor. Our customer's wishes were our commands.



The Case of the Bewildered Airman

ROLAND E. BRATTON

Assistant Cashier, The Fort Worth National Bank, Fort Worth, Texas
Past President, Retail Credit Managers of Fort Worth

MERRY PASON, credit counselor, approached the gates of the air base on this beautiful fall evening with a feeling of great uncertainty. The fact that he was there by invitation of the commander of the base failed to completely assuage the fear that he may have finally accepted the assignment which he could not successfully complete. Failure in this important test would do much to destroy the prestige he had established over many years of practice. This sounds like the opening lines of a popular book of detective fiction but it accurately describes the feelings of the group of credit executives from the Fort Worth Retail Credit Managers Association as they embarked on their program of credit counseling and assistance to military personnel stationed at the local air base.

It came as a great surprise when we were contacted in September 1958, by the officials of the air base with a request that we inaugurate a monthly program of credit education in the base theater for the benefit of airmen who were having trouble with their financial affairs. Realizing the opportunities such a program offered, we readily accepted the invitation and scheduled the first presentation for the following month. This program presented a discussion of general credit practices pertaining to military personnel by our local vice president, accompanied by remarks of the local president regarding the far-reaching effects of modern credit in the lives of all people. At the end of the presentation, a period was allowed for questions from the floor and following that we stayed to discuss personal problems privately with several airmen.

We had the feeling that this meeting had been well received, but we did not expect the developments that soon followed. In a few days, the office of Armed Forces Information and Education presented us with a communiqué listing the following as goals they hoped could be achieved by a continuous program of the type presented:

1. To provide valid counseling of military personnel who desire to establish credit.
2. To provide valid financial counseling and assistance in planning personal and family budgets.
3. To assist a military member who is in financial difficulty to find the solution to his financial problems.
4. Establishment of a code of ethics involving retail merchants as well as military members.
5. To provide a grievance committee which will endeavor to gain the facts in cases of dispute over credit involving military members.

It did not take but a few minutes of studying these goals to determine that:

- a. Officers of the base were aware a problem existed and felt we could help them do something about it.
- b. That they were also of the opinion part of the problems was being created by improper credit ex-

tension and collection policies by some local credit offices as well as by carelessness and the lack of knowledge in some military personnel.

c. That we were being presented with the opportunity of doing something big in credit education while contributing materially to the soundness of our local credit picture for our own merchants.

Working on achieving the first two of these goals, we accepted an invitation to attend the next monthly meeting of master sergeants to explain our programs. Here we had the opportunity to talk to the men who handled the brunt of credit complaints directed at military personnel. From this information, we planned our successive monthly programs. In these meetings, we have presented the film "The Good Things of Life on Credit," talks on credit records and budgets, and also panels on various phases of financing such as charge accounts, furniture accounts, automobile financing, and personal loans and normal charges for these services. All speakers were cautioned to inflect no merchandising into their talks and we have had no complaints in this regard.

As a clincher to achieve the first three goals, we suggested that we would provide qualified credit men for evening credit counseling. This offer was quickly approved by the officers of the base and the first meeting scheduled. Unlike the daytime program to which the audience had been ordered to report because of debt letters or financial troubles, this evening's meeting was completely voluntary and the airmen were invited to bring their wives in order to make the counseling more effective. The first of these interviews was presented in the special services office at the base. We provided six qualified credit counselors and a receptionist. Ten enlisted men were given private interviews that evening. Several of these desired information regarding establishing credit or planning family expenses. But six had actual problems. Four of these we were able to assist with credit counseling and cooperation of the officers of the base, but the other two presented more serious problems and one of them points up the need for our program.

Pooling Accounts in Credit Bureau

The enlisted man had a base pay and other regular income totaling \$422.00 monthly. He had monthly instalments on his home of \$55.00, automobile \$53.00, he owed three department stores a total of \$145.00, appliance and general merchandise \$456.00, three personal loan companies \$311.00, two discount finance companies, \$804.00 on furniture besides his required monthly living expenses. It looked as hopeless to us as it does to you, but with personal visits to the firms involved and careful planning of the man's personal expenses, we succeeded in pooling 12 of his accounts in the local credit bureau, reduced payments on two others, thus giving him a

these services to bureau members at the end of the month.

Finally, picture these shining coins and bills in the bureau's bank account which in turn pay salaries, rent, and other office expenses. Cut off the receipt of these shining coins and new bills and picture how you will pay your expenses. Of course, this seems silly . . . but is it?

We referred to reasonable costs with regard to credit information obtained through inter-bureau reporting. Of course, when considering cost, the furnishing of credit information obtained from local sources needs to be considered too.

What are some of the principal factors that enter into the cost of furnishing all types of credit bureau service? The principal ones are: (1) rent, (2) salaries, (3) communications, (4) stationery, (5) overhead, (6) cost of being available at any time throughout the work day, (7) cost of attending conferences to keep current with the needs of the customers, (8) reserve for bad times, and (9) employee fringe benefits to equal other businesses.

In considering costs we should not lose sight of the fact that each credit bureau has to be open for business when the buyer or customer requests service. No one can determine the time except the customer. Neither the credit manager, the credit bureau manager nor any of their associates control the point and time

of sale. Only the customer does this. The channel from buyer-customer, through credit bureaus and the return to point of delivery must be open for instantaneous use during business hours, a minimum of five work days in each week. Please keep this in mind. Another factor to pinpoint is that credit bureau managers must associate with other credit bureau managers to keep up-to-date with the current needs of their customers.

Of course, we should at all times keep the element of cost in proper perspective. We believe our duty as a team member is twofold, and that is to do an efficient production job while controlling expenses.

Price increases do not insure better service than was given before. Naturally, credit bureau costs and prices parallel the upward trend of our over-all standard of living. Credit bureau cost and price trends go hand in hand with those of other businesses. However, we can learn from other businesses ideas which will help us do a better job of production while controlling expenses.

Basic costs of being in business when service is needed should be established and controlled. Then the production cost for volume should be planned to fit the basic volume received. The ACBoFA staff is prepared at all times to help formulate cost studies whenever we request their aid and supply the true facts.

Our costs can be established the same as those for any other business. There is no magic concerned in it. Only the will to do a businesslike and unemotional job of determining costs is required of each of us.

After we have increased production and controlled expense to the best of our ability, once our costs are established for our degree of volume, then prices can be determined to cover the ten basic costs previously listed. Then each of our bureau members can select the service and the accompanying price to fit their firm's policy.

After all, when each of us wants to purchase our personal needs, we determine the price that we want to pay. Then we select the service or merchandise that will fill our needs and fit our pocketbooks.

The firm may show us different merchandise at a higher or lower price. That is good selling . . . but the final choice is ours. If the salesman is smart, he closes the sale with a smile. Remember, the customer is king!

You can help us by promptly clearing references by telephone! You can help us by promptly referring credit applications to the bureau so they can be processed immediately! You can help us by working closely with the bureau. For the service-team to function satisfactorily requires cooperation at all levels: locally, sectionally and nationally! ★★★

financial program he can live on and get paid out. It would have been easy to have said this was a typical disregard for credit and beyond our help. Had we done so, our program would have been doomed. The Air Force would have probably discharged another airman that had accumulated thousands of tax dollars worth of technical training and we, as credit men, failed our responsibility. Instead, we have placed ourselves in the position of extending our programs and only recently received an invitation to present a program at another air base over 300 miles away.

In these programs, we have been asked many questions that are difficult to answer. These questions and problems vividly remind us that through complacency we have sanctioned many ills within the credit profession such as exorbitant charges, excessive payment terms, heavy overindebtedness, and that by doing so, we are partially to blame for some of the problems our military program must cope with. Our acceptance of this will be a long stride in achieving the last two goals outlined. It is time that we as credit men recognize and accept our responsibility of extending sound credit to military personnel. We have heard complaints that some of our firms refuse to accept an application for credit from a man in military service. We have heard that some firms sell all military personnel without credit

information depending entirely upon military disciplinary action for collection. Neither practice is coherent to sound credit practices or is completely fair to the customer involved. We are trying to sell our merchants on realizing that many of these military credit applicants are just completing school or are away from families for the first time and have not yet achieved the full realization of managing their own credit.

The credit man must also realize that frequently the applicants are many thousands of miles from their previous families, friends, and relatives, and sometimes feel a little lost about it all. And this transplanting may occur several times in the immediate years creating many problems to cope with, among others, delay in pay which frequently may prevent the usual prompt payment of accounts. But if we succeed in our program, our retail merchants will accept the fact that these disadvantages should not prevent military personnel from being allowed to trade in normal manner with established merchants and that they are entitled to the same courteous consideration as any applicant for credit would receive in our place of business. Achieving success in this, we believe we will have accomplished the goals of our program and to the benefit of military personnel as well as to the firms we represent. ★★★



The Credit Office And Its Sales Promotion Responsibility

WALLACE E. BRUENER

*Vice-President-Treasurer, John Bruener Company, Oakland, California
President, National Retail Furniture Association*

YOU HAVE asked me to comment on what I believe is the most important subject in the credit field—the promotion of credit. This allows me time to put over a concept, but does not allow me enough time to go into the details of the promotion of credit. That is probably good, because I feel that the credit man must change his concept of his job to do a good job in the promotion of credit.

It has been my experience in talking to credit men and women in retail stores from one end of this country to another—and this goes for department store credit men as well as my own field, the retail furniture store—that not more than one out of ten credit men have anything more than a passing acquaintanceship with credit sales promotion. The average retail credit manager considers his job as primarily protectional and feels as long as he does a good job in this direction, he has earned his money. Furthermore, the average credit man is a systems expert, and this is probably as it should be—but the credit man and even top store management has never become fully cognizant of the importance of the credit function as an important factor in creating sales.

I wonder if people in credit realize your own strength. Over the years you have built what is now one of the most important divisions in a retail store. You sit on top of an investment in accounts receivable that runs in some stores two and a half times the investment in merchandise. You sit on a sum of money which is usually head and shoulders above the average store's investment in fixed assets. You are important people. You have held your credit losses to less than one per cent. You have kept up an admirable collection rate, even though you are granting longer terms. You have done a wonderful watchdog and systems job.

Have you ever heard the old adage, "What you are speaks so loudly, I can hardly hear what you say"? This old adage applies to the average credit man who will not bring himself to the realization that in recent years the situation has changed. Credit sales promotion has become an important activity in many stores, and the credit manager has become more than a watchdog and a systems expert. The modern credit manager is no longer ignoring the selling aspect of the credit function.

If you can increase your horizon to a point where you can see increases in credit sales because of promotions that you bring about, then you will get the same excitement for credit promotion that the merchandise buyer gets when he discovers a new fast seller.

To me credit is a commodity, just like merchandise. Because credit is a commodity, I think you can sell it to the public. I believe there are more ways to promote credit than there are to promote chairs or dresses, and I believe my point will be proven in the next few years by the promotions we will see in credit. We have already seen more different ways to promote credit in the last six years than we saw in the previous 25 years.

The credit manager who does not think and plan the promotion of his commodity is as old-fashioned as the buyer who believes he can build a volume by being

constantly out of goods, and by constantly using those famous last words, "Madam, it's on order."

How does the credit manager who wants to promote his wares get into the act? I put the question this way, because it is my feeling that the real leader in the promotion of credit within the store should be the credit executive. He should take top management along with him. At least this is so if the credit manager wants to occupy his rightful place on the management team.

In my opinion, the credit man should ask management to put him on the promotion team, to give him a definite budget as to how much he can spend on credit promotion, and cause him to meet with the advertising and promotion manager to review his promotion program each month. Now I know this sort of planning is done in the big stores of America, but we are not all big. And I do not think 10 per cent of the credit managers formalize their credit sales promotion.

No matter how churned up you get about the idea of promoting credit, management will not go along with you after the first burst of enthusiasm, unless you work out some statistics on the proof of return.

In the average department store in America today, the advertising office or research department creates a yardstick by which to measure the return on their advertising. Most of these yardsticks are based on a direct cost basis; that is, the cost of the space of the ad is shown as a percentage on the direct volume it produced. This figure is usually kept informally in an ad scrapbook, and it is very easy to determine just how successful one ad is against an average or against another ad by this simple bit of research.

This same thing should be done by the credit man. If he sends out a direct mail piece, he should know what the direct cost was to business produced. In other words, he should work out his own yardstick. If an adequate set of return figures are kept, the credit man will know what his successful promotions are, and what he should be repeating. No buyer in merchandise ever made top volume without repeating his successes and dropping his failures fast. You, as a credit manager, cannot hope to get adequate budgets for promotion unless you furnish management with adequate proof of return. And even more important, you should furnish proof of the fact that you are going about this new credit promotion concept with the same intelligence you always used as a credit controller.

If you credit men and women are to make your credit promotion programs click, you must recognize certain board principles which are too often neglected by the credit manager. First, as far as down payment and length of terms are concerned, I think it is absolutely necessary to meet obvious competition, or—have a defense from it. And I would underscore—have a defense from it. Let me explain.

Not many months ago I was in a large eastern city, and as usual I perused the evening paper for terms. I found three concerns in the furniture business that were advertising three-year terms. After dinner I took a stroll. I went to each of the three stores, and while they

Control Violates Right of the Common Man

EARLE A. NIRMAIER

Credit Manager, W. Wilderotter & Company, Newark, New Jersey
Second Vice President, National Retail Credit Association

THE GROWING talk in favor of again regulating consumer credit should be labelled for what it is—regulation for the sake of regulation. Consumer credit, as its name implies, is to the man and woman in the street what commercial credit is to business. It is "family" finance, not "business" finance. Unlike commercial credit its average unit transaction is small and, as in insurance, the over-all risk is greatly diversified. The old saying "don't put all your eggs in one basket" aptly applies to it. It is liquidated out of salaries and wages which are not subject to the extreme fluctuations of business activity. By its very nature, therefore, it has certain safety features over other forms of credit.

The use of consumer credit is sometimes unfairly compared with the good old New England principle of "pay as you go," which has its place "for them that has." But the fact remains that consumer credit has sparked our modern mass distribution system of goods and services which, in turn, made possible mass production. It has contributed materially to the lowering of unit prices of consumer goods; but, above all, it has been responsible, more than any other factor, for making this country the envy of other nations—because our consumer credit system has made possible for us the highest standard of living the world has ever known.

Unnecessary tampering with this system through imposition of special government controls is, to quote a phrase of President Eisenhower's, not only "alien to our traditional way of life" but violative to the rights of the common man. Such regulation simply is not needed in peacetime. It would stifle our free enterprise system.

We speak of our modern economy as a people's capitalism. It is time we begin to speak of consumer credit as people's credit—for it is an integral part of people's capitalism. There is no denying the fact that we live in an inflationary era and that inflation, if it

were allowed to get out of hand, could be as destructive of our way of life as would an all-out war with the Soviet Union.

The pressures that we call creeping inflation do not arise out of consumer credit transactions. They come about largely as the result of excessive government spending and the failure, on the part of both labor and management, to put an end to continuing cycles of wage-price spirals.

This talk of regulating consumer credit as a means of stopping inflation is unrealistic and absurd. No responsible economist has ever cited consumer credit as major cause of the last big depression of 1929, though some economists hold that consumer credit made it more severe and more prolonged. Whether true or not, we have since then developed certain built-in stabilizers which have materially contributed to keeping our economy on a more-or-less even keel. Such stabilizers as old age security, unemployment benefits, health insurance, and the withholding feature of personal income taxes, to name a few, have exercised as great a degree of control over the extension of consumer credit as they have over other phases of the economy. As a result consumer credit came through the 1937 depression and subsequent recessions with colors flying and without apparent ill effects on the economy.

In other words, we already have controls and we need no more. But, above all, no form of government control, real or imagined, can ever effectively substitute for the function presently performed by the vast army of credit managers of hundreds of thousands of business enterprises which have the situation well in hand. They constitute the most effective bulwark against whatever minor inflationary tendencies exist in our consumer credit system. As soon as the public understands this, the better for everyone concerned. ★★★

were closed I could get a general concept of their type of business from their windows and lighted first floors. I would call two of these concerns borax outfits, but one was a very nice store. It is what I would term obvious competition. The next day, in my rounds of the credit systems of the various department stores in this city, I went to one of the biggest names in the department store field. I approached the credit hostess, told her that I had been transferred to town by my company, and that I wanted to talk to somebody about credit. She gave me a number and asked me to wait a moment. Later my number was called and I went to an interviewer with a number.

I told this interviewer that I wanted to buy about \$2,400 worth of goods, my wife was coming to town the following week, and I wanted to know what kind of terms I could get. She quoted me the monthly payment. I told her I could not meet it, it would strap me, and asked how many months she was figuring on for pay out. She said eighteen. I told her I wanted three years. Then she told me how sorry she was the firm did not give three years, it was the best she could do, and she hoped that they would get my business. She had no "defense from it." Her "defense from it" could have included the fact that her store did sell their accounts—three years was very costly, etc.

The second general principle behind successful credit

promotion is simply a well-run credit department. Many a credit promotion fails simply because it does not have behind it the best credit department in town. And I do not mean the biggest or best fixtured. Here again it is a matter of training. The credit manager must run a continuous training program—not only within his department, but within the entire store. He should keep every employee in the store educated as to how the modern credit system of store works.

What I have tried to do is give you some clues as to how the modern credit man must think about his job. You can enlarge on these clues by reading. According to modern educators, a businessman today must read 17 times as much as his grandfather did. And I presume that all credit men spend three to six hours a week in industrial reading. If you do, you will not run away from promotion—you will run to it.

You of the credit fraternity have done a wonderful watchdog and systems job. You have demonstrated the last few years that you can be a terrific selling tool—alas, in too few cases, however. If you accept this new challenge, if you become a student of credit promotion, you can ask for a place on the management team, and you could add 10 per cent to the sales of your store.

Sell your management the idea that the most important thing the store can do this year is to learn how to promote credit. ★★★

Membership Standing

New National Units which have been organized since June 1, 1958:

City	Date	Number
Chapel Hill, North Carolina	July 10, 1958	32
Montrose, Colorado	Jan. 6, 1959	24
Sault Ste Marie, Ontario, Canada	Jan. 15, 1959	16
Crescent City, California	Mar. 10, 1959	27
Goldsboro, North Carolina	Mar. 10, 1959	29
Chelan, Washington	Mar. 24, 1959	30
Wichita Falls, Texas	April 7, 1959	224

Old Associations reporting 10 or more new members since June 1, 1958 to April 15, 1959:

District	Members
1 Montreal, Quebec, Canada	75
Quebec City, Quebec, Canada	16
Springfield, Massachusetts	30
2 Camden, New Jersey	16
Newark, New Jersey	10
New York, New York	148
3 Eustis, Florida	27
Jacksonville, Florida	58
Miami, Florida	127
Leesburg, Florida	28
Orlando, Florida	45
West Palm Beach, Florida	12
Atlanta, Georgia	80
Bainbridge, Georgia	10
Waycross, Georgia	11
Asheville, North Carolina	14
Greenville, South Carolina	14
Sumter, South Carolina	10
4 Anniston, Alabama	11
Tuscaloosa, Alabama	10
Baton Rouge, Louisiana	81
Lafayette, Louisiana	13
Johnson City, Tennessee	11
Knoxville, Tennessee	30
Nashville, Tennessee	15
5 Cornwall, Ontario, Canada	10
North Bay, Ontario, Canada	13
Ottawa, Ontario, Canada	17
Chicago, Illinois	215
East St. Louis, Illinois	10
Batavia, Ohio	11
Cincinnati, Ohio	124
Cleveland, Ohio	19
Madison, Wisconsin	17
6 Winnipeg, Manitoba, Canada	29
Cedar Rapids, Iowa	23
Minneapolis, Minnesota	12
7 Kansas City, Missouri	122
St. Joseph, Missouri	34
St. Louis, Missouri	46
8 Arlington, Texas	16
Bellaire, Texas	17
Corpus Christi, Texas	213
Dallas, Texas	170
El Paso, Texas	27
Fort Worth, Texas	39
Houston, Texas	61
Irving, Texas	23
Lubbock, Texas	206
Midland, Texas	12
Orange, Texas	21
Plainview, Texas	12
Port Arthur, Texas	48
Victoria, Texas	80
9 Denver, Colorado	177
Albuquerque, New Mexico	34
Salt Lake City, Utah	87
10 Edmonton, Alberta, Canada	43
Lethbridge, Alberta, Canada	17
Albion, British Columbia, Canada	10
Chilliwack, British Columbia, Canada	14
Cloverdale, British Columbia, Canada	12
Courtenay, British Columbia, Canada	34
Cranbrook, British Columbia, Canada	10
Kitimat, British Columbia, Canada	17
Prince George, British Columbia, Canada	14
Vancouver, British Columbia, Canada	197
Victoria, British Columbia, Canada	29

Regina, Saskatchewan, Canada	21
Blackfoot, Idaho	10
Coeur d'Alene, Idaho	19
Idaho Falls, Idaho	31
Bozeman, Montana	10
Glasgow, Montana	14
Great Falls, Montana	20
Helena, Montana	18
Shelby, Montana	27
Corvallis, Oregon	24
Portland, Oregon	159
Centralia, Washington	25
Ephrata, Washington	11
Everett, Washington	62
Moses Lake, Washington	20
Mount Vernon, Washington	13
Seattle, Washington	130
Spokane, Washington	95
Tacoma, Washington	52
Yakima, Washington	22
11 Phoenix, Arizona	86
Fresno, California	79
Los Angeles, California	138
Martinez, California	76
Marysville, California	33
Merced, California	13
Oakland, California	81
Redding, California	19
San Francisco, California	123
San Jose, California	24
12 Washington, D. C.	84
Baltimore, Maryland	74
Bristol, Pennsylvania	12
Philadelphia, Pennsylvania	101
Pittsburgh, Pennsylvania	148

New members reported by Districts from June 1, 1958 to April 15, 1959:

District	Members
1	164
2	205
3	561
4	226
5	553
6	109
7	233
8	1,248
9	328
10	1,335
11	758
12	449
Total	6,169

Membership Drive Winners

THE THIRD President's Annual Membership Drive was held from September 15, 1958 to November 15, 1958 and from February 15, 1959 to April 15, 1959. Prizes were awarded to participants of this special campaign as follows:

Checks for \$50.00 were awarded to: Victoria, Texas; Orlando, Florida; Wichita Falls, Texas; and Vancouver, British Columbia, Canada.

General Electric clock radios were awarded to: Chelan, Washington; Cedar Rapids, Iowa; Corpus Christi, Texas; and Portland, Oregon.

Weather Guides were awarded to: Goldsboro, North Carolina; Port Arthur, Texas; Lubbock, Texas; and Denver, Colorado.

Silver Plaques were awarded to District 8 (Texas) and to Retail Merchants Association, Wichita Falls, Texas.

Full details regarding the membership drive will be included in The CREDIT WORLD.

Congratulations and best wishes to the winners and our sincere thanks to all participants in the drive.

Charles F. Sheldon, Chairman
Membership Committee

Continental-Hilton Hotel Headquarters for Post- Conference Tour to Mexico

PICTURED ABOVE is the Continental-Hilton Hotel which will be the headquarters hotel for the Post-Conference tour to Mexico City. This is probably the most beautiful hotel in all of Latin America.

The tour, planned by the National Retail Credit Association, Associated Credit Bureaus of America and the Credit Women's Breakfast Clubs of North America will leave Dallas, Texas, June 26, 1959, following the conference adjournment. The tour schedule has been carefully planned to permit members to attend the Conference, enjoy the trip to Mexico and return home all within two weeks.

Cartan Travel Bureau, 108 North State Street, Chicago 2, Illinois will conduct the official tour program. Last year this same agency arranged a tour for a group to Hawaii following the Los Angeles Conference. Tour members will be escorted by air from Dallas. Personalized service allows for small group activity in that the comprehensive program of sightseeing and travel is done in five or seven passenger sedans with English speaking guides. You travel in your own car with friends of your choice.

All points of interest in and around Mexico City will be visited. These include the Pyramids, Guadalupe, Xochimilco and the bullfights on Sunday. A special party at the internationally famous "El Patio" is included. There will also be a trip to Acapulco where Junior Terrace rooms with patio-balconies have been reserved at the Caleta Hotel. A yacht cruise will give tour members the best possible view of the gorgeous bay and Pacific shore areas.

The picture on the lower left shows University City, known as the "Campus in the Clouds," which offers visitors a breathtaking experience, not only for its many



magnificent buildings of functional architecture but also outdoor murals. On the lower right is the Zocalo (main public square), the Cathedral of Mexico. Of more than incidental interest to visitors, historians, antiquarians and to the Mexican people is the rapid sinking of the oldest sections of Mexico City, the heart of the capital and the nation.

Noting an obvious tilt to many of the old homes and churches, including the famous Cathedral itself, some visitors are prone to mark it off to the ravages of time alone, or perhaps to a lack of sufficient maintenance. Neither is true. While time is a factor, of course, the real reason involves the original location of the city. The Aztecs settled on a swampy island in the middle of what once was a large lake, for it was there that the words of early Indian prophets were fulfilled. The wandering Aztecs had been told to found their city where an eagle with a snake in its beak was observed sitting on a cactus plant. The rate of sinking is now reported to be up to one foot per year. A multi-million dollar engineering program to halt sinkage and preserve historic structures has been instituted by the Mexican government.

Cartan will also arrange a number of optional side trips in Mexico. Among those are all-day excursions to Cuernavaca or Toluca, an overnight trip to Taxco, two-night trips to Fortin and Tehuacan, Patzcuaro and San Jose Purua or to Guadalajara and Chapala.

Complete details on these exciting tours are available by writing the National Retail Credit Association, 375 Jackson Avenue, St. Louis 30, Missouri.



Meet Your Conference

DE LOSS WALKER is known nationally for his studies and analyses of American life and problems. He was born in Kansas but his boyhood days were spent in Indiana where he graduated from DePauw University, Greencastle, Indiana. His career began in New York. His tremendous energy and enthusiasm stem from a long athletic career. He was a national champion athlete and played basketball for more than 20 years. Mr. Walker's first international recognition came from his experiences in China where he served the Republic of China. Also, he traveled and studied throughout the Orient. He learned business the hard way. He was superintendent of coal mines and later operated his own mines in Pennsylvania. Later he was president of a sales corporation. As an editor of *Liberty Magazine* he started his study of "main street" and aided communities in their struggle against the depression. He has really seen America. He has traveled more than two million miles inside this country and continues to move throughout all 48 states. He is a recognized leader and has helped to revitalize many cities. His popularity is based on the fact that he believes in people and things, and fights for, not against. His tremendous faith and optimism overcome obstacles, so the press reported numerous times. De Loss Walker is truly all-America.

Mr. Walker will address the conference at Tuesday morning's general session on the subject "It's Fun to Face Facts."

EDWIN L. COVEY received his A.B. degree from the University of Illinois and was elected to Phi Beta Kappa in his senior year. In World War I he was an ensign in the United States Navy and upon his discharge entered the University of Illinois Law School where he received his J.D. degree in 1920. He then entered private practice with his father and uncle in Peoria, Illinois, and in 1934 was appointed Referee in Bankruptcy for the Northern Division of the Southern District of Illinois. In 1942 he was appointed Chief of the Bankruptcy Division of the Administrative Office of the United States Courts in Washington, D. C. His duties include general supervision of the Referees in Bankruptcy in the 89 districts in the continental and territorial United States. In connection with bankruptcy legislation he has worked closely with members of Congress and has also conducted a number of survey and studies touching many phases of bankruptcy administration. In 1946, Congress passed the Referees' Salary Act which changed the basis of compensating referees from a fee system to the present salary system. Mr. Covey had personal charge of the surveys pursuant to that Act which became effective July 1, 1947. He is a member of the Methodist Church and the Masons; belongs to Delta Tau Delta, social fraternity and Phi Delta Phi, legal fraternity. A resident of Silver Spring, Maryland, he is married and has four children.

Mr. Covey will speak on "Bankruptcy Problems—Chapter 13, Wage Earner Plans," at the Tuesday morning's general session.

BEN H. WOOTEN graduated from North Texas State College, Denton, Texas in 1917 and received an honorary Doctor of Laws degree from the University of Arkansas in 1950. He entered the banking business in 1919 as

assistant cashier of the Alba National Bank, Alba, Texas, and in 1923 was made cashier and operating executive officer of the Farmers and Merchants National Bank, Farmersville, Texas. He then became a State Bank Examiner in 1926. In 1932 he was appointed Chief Examiner of the Federal Home Loan Banking System and then became President of the Federal Home Loan Bank of Little Rock. In 1944 he became Chairman of the Board of the bank and in 1953 he was appointed Vice President and member of the executive committee of the Republic National Bank, Dallas, Texas. He then resigned to become President of the First National Bank in Dallas. He was named Dallas' Top Salesman for 1950 by the Dallas Sales Executives Club and in 1952 was named Dallas' Headliner of the year by the Dallas Press Club. In 1953 he was presented with the Linz Award for outstanding community service. In 1956 he was presented a national citation by the National Conference of Christians and Jews recognizing his services in promoting understanding and civic cooperation among all faiths. He was president of the Dallas Chamber of Commerce in 1952. He is chairman of the Board of Regents of the North Texas State College, a trustee of Baylor University and a director in many large corporations.

Mr. Wooten will address the general session on Tuesday morning and his subject will be "Consumer Credit."

WALDO J. MARRA is well known from coast to coast as a leading authority on correspondence training, as an author and as a forceful and convincing lecturer. Thousands of business and professional men and women have been trained and coached by Mr. Marra and he is recognized by outstanding organizations as a practical and authoritative instructor. He has lectured on English and letter writing to the personnel of the Metropolitan Life Insurance Company, W. P. Fuller & Company, Pacific Greyhound Lines, California Packing Company, Owens-Illinois Glass Company, Federal Reserve Bank of San Francisco and the Wells Fargo Bank of San Francisco. He was also correspondence director for the Bank of America National Trust & Savings Association for many years and has been a lecturer in the Extension Division of the University of California since 1919. He received his B.A. and M.A. degrees from New York University and has taught at New York University and at Stanford University. He is the author of *Streamlined Letters*, a text and reference book published by the National Retail Credit Association. He has been a contributor of articles for *The CREDIT WORLD* and *Printers' Ink* and is also the author of numerous manuals for many outstanding firms including the Standard Oil Company of California. His diversified and practical experience, combined with his university teaching, makes him an ideal person to talk about a subject that needs a combination of both theory and practice.

The N.R.C.A. is happy to have Mr. Marra address our annual conference on the subject "Streamline Your Letters," at the general session Wednesday morning.

ALBERT A. BIEL is operating manager and controller of the American Furniture Company, El Paso, Texas. His vast experience in credit and tax operations well qualifies him to speak on matters of finance. He

Speakers

is a specialist in Federal income tax matters and handles all tax problems for the store. In his 31 years of association with the firm he has worked in virtually every department which gives him a broad background in business. He was formerly with the First National Bank, Las Cruces, New Mexico, and a large El Paso accounting firm. He is active in local civic affairs including the Lions Club. He collects coins for a hobby.

The N.R.C.A. is delighted to have him address our annual conference on the subject "Successful Credit Department Operations," at the general session Wednesday morning.

ARTHUR E. KAISER started in credit work for the Great Lakes Refining Company, Cleveland, Ohio, in 1912. He served as lieutenant of field artillery, A.E.F., during World War I. In 1920-1925 he was district manager, Ditto, Inc., Cleveland, Ohio; 1925-1929, divisional credit manager, Firestone Tire & Rubber Company, Akron, Ohio; 1930-1933, operating manager, Retail Stores Division, Firestone Tire & Rubber Company of California; 1933-1954, credit manager, Bullock's, Los Angeles, California; and in 1954 he retired to engage in credit consultation work. He served as consultant to the California Legislature Subcommittee on Lending and Fiscal Agencies in the preparation of the California Retail Sales Law introduced January 20, 1959. His hobby is gardening and orchid growing. He is a past vice president of the N.R.C.A., and is now an honorary life member.

We are honored to have Mr. Kaiser address the conference on the subject "Instalment Legislation," at the general session on Thursday morning.

MORRIS I. PICKUS is President of The Personnel Institute, Teleclinics, Inc., Rolling Billboard Network, and Chairman of the Board of Junior Posters, Inc. As author, lecturer, management consultant and business industrialist, he has completed his 24th year as President of Personnel Institute. In 1957 he organized a closed-circuit television school of the air in 34 cities and held the largest sales training meeting ever held in the world. Over 40,000 sales executives and salesmen met for two consecutive Tuesdays to hear some of the greatest authorities on selling as they appeared live on the television screen. In 1958 he presented the second edition of "Tell-Sell" talks to an audience of over 100,000. He is the producer of five 15-minute films on the subject of "Effective Salesmanship"; five 15-minute films on the subject of "Over-the-Counter Selling"; and five 15-minute films on "Decision Making" as part of the management supervisory function. He is an outstanding authority on manpower development, scientific selection and development, human engineering and visual education. A noted member of the American Management Association, American Marketing Association, The Society for the Advancement of Management, Mr. Pickus helped found National Sales Executives of which he is a charter member and is currently a member of the Long Range Planning Committee. He is considered to be one of the most dynamic speakers in the United States.

The title of Mr. Pickus's talks at the general session on Thursday morning will be "How to Grow Management Brains."

De Loss

Walker



Edwin

L.

Covey



Ben

H.

Wooten



Waldo

J.

Marra



Albert

A.

Biel



Arthur

E.

Kaiser



Morris

I.

Pickus



PROGRAM HIGHLIGHTS

45th ANNUAL INTERNATIONAL CONSUMER CREDIT CONFERENCE

Statler Hilton Hotel, Dallas, Texas, June 21-25, 1959

"Magic With Meetings"

Theme: Magic With Meetings

Objectives: To increase knowledge and skills necessary in holding interesting and productive local association meetings.

You Will: Create Magical Topics
Sell! Sell! Sell!

You Will: Create Magical Topics
Effective—Productive

You Will: Make Magic Stay Alive
You, the Dynamic "Mandrake"

The Credit Workshop

Chairman, Earle A. Nirmaier, W. Wilderotter & Co., Newark, New Jersey, Vice President, National Retail Credit Association.

"How to Open a Credit Account"

E. L. Goodman, Burger-Phillips Company, Birmingham, Alabama

"How to Analyze the Credit Risk"

Robert M. Wylie, Weinstock Lubin & Company, Sacramento, California

"How to Accept or Decline the Account"

Mrs. Jo Hubbard, Sterchi Bros. Stores, Chattanooga, Tennessee

"How to Collect Monthly Charge Accounts"

Howard A. Clarke, Gimbel Brothers, Pittsburgh, Pennsylvania

"How to Collect Instalment Accounts"

W. F. Streeter, Boutell's, Minneapolis, Minnesota

"How to Get New Credit Business"

W. F. Cofer, Neiman-Marcus, Dallas, Texas

"How to Promote Inactive Accounts"

Hugh M. Martin, The Addis Company, Syracuse, New York

Sunrise Session

Audience Participation

Coffee and Sweet Rolls Served

7:30 to 8:45 a.m., Tuesday, June 23

TWO GROUPS

Chairman, William J. Tate, Charles Ogilvy Limited, Ottawa, Ontario, Canada

Subjects for Discussion, Group One

Credit Sales Promotion

Collections

Credit Department Expense Control

Chairman, David K. Blair, H. Liebes and Company, San Francisco, California

Subjects for Discussion, Group Two

Skip Tracing and Kindred Problems

Speakers and Panel Discussions

"It's Fun to Face Facts"

De Loss Walker, Chicago, Illinois

Bankruptcy Problems—Chapter 13, Wage Earners Plans

Edwin L. Covey, Chief, Division of Bankruptcy, Administrative Office of the United States Courts, Washington, D. C.

"Consumer Credit"

Ben H. Wooten, President, First National Bank, Dallas, Texas

"Streamlining Your Letters"

Waldo J. Marra, Correspondence Counselor, Los Angeles, California

"Successful Credit Department Operations"

Albert A. Biel, Operations Manager, American Furniture Company, El Paso, Texas

"Reducing Bank Check Losses"

Moderator, L. A. Brumbaugh, Valley National Bank, Phoenix, Arizona, Vice President, N.R.C.A.

"The San Antonio Program"

J. Roy Willett, Jr., Merchants Protective Association, San Antonio, Texas

"The Kansas City Plan"

A. L. Dye, Credit Bureau of Greater Kansas City, Kansas City, Missouri

Panel Discussion, "It's What They Want That Counts"

Hubert L. Miller, Pure Oil Company, Chicago, Illinois

L. A. Brumbaugh, Valley National Bank, Phoenix, Arizona

David K. Blair, H. Liebes and Company, San Francisco, California

Robert K. Pinger, Credit Bureau of Greater Houston, Houston, Texas

W. D. Conel, Retail Merchants Credit Association, Los Angeles, California

Bruce K. Ward, Credit Bureau of Casper, Casper, Wyoming

"Instalment Legislation"

Arthur E. Kaiser, Consultant, Instalment Legislation, State of California, Los Angeles, California

"How to Grow Management Brains"

Morris I. Pickus, President, Teleclinics, Inc., Westport, Connecticut

Theme of Conference

The theme of the 45th Annual International Consumer Credit Conference to be held in Dallas, Texas, June 21-25, 1959, is: "Making Credit Profitable."

At Dallas You Will Learn About:

The Option or All Purpose Charge Account;
Advantages and Disadvantages

Service and Carrying Charges;
How much and when added

Credit Sales Promotion;
a. Teenage and student charge accounts
b. Newcomer Service
c. Inactive Account Promotion
d. Increasing Sales of present customers

Bank Checks

Expense Saving Ideas for Credit Sales Department

What makes a Credit Manager a successful sales producer?

Age Analysis of Accounts Receivable

When to turn accounts over to Professional Collection Agency

The place of medical credit in the total credit picture

Best ways of handling complaints and adjustments

Pooling plans

Credit Bureau Service

Cooperation between Sales and Credit Department personnel

Calculating rebates on service and carrying charges

Credit department organization and work flow

Incentive pay plans for credit office personnel

Improved methods and time saving devices

"Do It Yourself" credit interviewing

State Laws Governing Consumer Credit

Educational Exhibits

American Automatic Typewriter Company

Elliott Addressing Machine Company

Encyclopaedia Britannica

Farrington Manufacturing Company

Hilton Credit Corporation

Minnesota Mining and Manufacturing Company

The National Cash Register Company

Recordak Corporation

Remington Rand

Western Union Telegraph Company

A. J. Wood Research Corporation

The Credit Department;

a. Management's attitude

b. The public attitude

c. Store personnel attitude

What is the ideal credit application form?

Late charges on instalment accounts and addition of service charge on monthly charge accounts

How can we improve credit department letters?

Attracting promising young people to the retail credit field

What to look for in hiring credit department personnel

Billing methods

Collecting monthly charge accounts

New account acceptance procedure

Chapter 13, Bankruptcy Act

Revolving Credit;

Advantages and Disadvantages

Educating the Credit Customer

CONFERENCE REGISTRATION BLANK

45th Annual International Consumer Credit Conference

Dallas, Texas—June 21-25, 1959

Name.....	() DELEGATE REGISTRATION	\$25.00
Firm.....	() GUEST REGISTRATION	\$15.00
	(or each additional delegate)	
Street Address.....	() CHILDREN UNDER 12	\$10.00
City and State.....	() AM INTERESTED IN THE POST CONFERENCE TOUR TO MEXICO	
() Will attend NRCA Group Meeting.....		
() Will attend CWBCofNA breakfast Monday, June 22, 1959 (cost included in registration fee)	WILL ARRIVE —A.M. —P.M. BY PLANE <input type="checkbox"/>	
	AUTO <input type="checkbox"/> TRAIN <input type="checkbox"/>	
() I am a member of NRCA Quarter Century Club and will attend breakfast Wednesday, June 24, 1959	Mail registration blank with check attached payable to:	
() I am attending the conference for the first time		
() Hat sizes —, —, —, —, —, —, —, —	International Consumer Credit Conference c/o National Retail Credit Association 375 Jackson Street, St. Louis 5, Missouri	

ADMITTANCE TO ALL MEETINGS WILL BE BY BADGE ONLY

Credit Women's Breakfast Clubs of North America

21st Annual Conference

Statler Hilton Hotel

Dallas, Texas

June 20-25, 1959



MRS. MARY S. MORGAN

President
Houston, Texas

PROGRAM

Saturday, June 20 . . .

- 10:00 A.M.—FUTURE ADVANTAGES COMMITTEE MEETING, Bluebonnet Room
2:00 P.M.—MEETING OF BOARD OF DIRECTORS, Mustang Room
7:00 P.M.—MIXER, Gold Room

Sunday, June 21 . . .

- 9:00 A.M.—BUSINESS SESSION, Embassy Ballroom and West
12:00 NOON—ELECTION OF OFFICERS, Bluebonnet Room
2:30 P.M.—JOINT EDUCATIONAL MEETING, Embassy Ballroom and West

Monday, June 22 . . .

- 7:30 A.M.—ANNUAL BREAKFAST, Grand Ballroom
9:00 A.M.—INSTALLATION OF OFFICERS, Grand Ballroom
9:30 A.M.—"WHAT DID WE DO" WORKSHOP, Grand Ballroom
10:30 A.M.—DISTRICT OFFICERS AND CHAIRMEN SEMINAR, Embassy East
2:00 P.M.—THE CREDIT WORKSHOP, Embassy East

Tuesday, June 23 . . .

- 8:45 A.M.—GENERAL SESSIONS, Grand Ballroom
2:30 P.M.—GROUP MEETINGS

Wednesday, June 24 . . .

- 7:00 A.M.—CAREER CLUB BREAKFAST, Embassy Ballroom
9:00 A.M.—GENERAL SESSIONS, Grand Ballroom
2:30 P.M.—GROUP MEETINGS
5:00 P.M.—MEETING OF BOARD OF DIRECTORS, Mustang Room

Thursday, June 25 . . .

- 8:45 A.M.—GENERAL SESSIONS, Grand Ballroom
2:30 P.M.—GROUP MEETINGS
7:00 P.M.—ANNUAL BANQUET, ENTERTAINMENT AND DANCE, Grand Ballroom



Mrs. Helen Spendlove
First Vice
President
Bountiful, Utah



Mrs. Inez McGaughey
Second Vice
President
Chattanooga, Tenn.



Mrs. Martha Gleason
Third Vice
President
Washington, D. C.



Helen B. Sawyers
Secretary
Everett, Wash.



Mrs. Heloise Marsee
Treasurer
Vallejo, Calif.



Geneva F. McQuatters
Executive Manager
St. Louis, Mo.



Mrs. Pauline Shepard
Advisory
Daytona Beach, Fla.



Rita F. Barnes
Budget
London, Ont.



Lorene Shaw
Bulletin
London, Ont.



Mrs. Una Pearson
Bylaws
Ft. Smith, Ark.



Mrs. Ethel Higgins
Future Advantages
West Scarborough, Me.



Bert Rose
Historian
Kansas City, Mo.

Committee Chairmen and District Presidents



Mrs. Darleen Crocker
Nominating
Portland, Me.

WE ARE GRATEFUL for the opportunity to have you, the members of the National Retail Credit Association, meet the officers, chairmen and District Presidents of the Credit Women's Breakfast Clubs of North America.

We view this past year with pride, as we feel we have attained a new high in education under our theme "Preparing for Progress." The sympathetic support of the many "Bosses" has been a major factor.

We are grateful, of course, to the National Retail Credit Association for your cooperation and assistance. With you, we are about to realize a major ambition—that of the college level course in Credit and Collections. We feel that no other single event in the credit field will do as much to further our profession.

The Associated Credit Bureaus of America, too, have worked diligently in our behalf by organizing new clubs and helping us

increase our membership. Their guidance and counsel is deeply appreciated.

These things are our past and present—and the future, I know, promises even greater progress. May we continue to work together in maintaining the principles, ethics and standards of our chosen field.

Mary S. Morgan

President
Credit Women's Breakfast Clubs of North America



Mrs. Bertha Bryant
District One
Portland, Me.



Mrs. Natalie Thurston
District Two
Troy, N. Y.



Mrs. Dorothy Alexander
Districts Three & Four
Shreveport, La.



Hilda Felice
District Five
St. Catharines, Ont.



Mrs. Wanda Brown
District Six
Mason City, Iowa



Mrs. Willamae Jackson
District Seven
Little Rock, Ark.



Mrs. Margie Smith
District Eight
Cleburne, Texas



Mrs. Carol Edmond
District Nine
Pueblo, Colo.



Mrs. Alta Myers
District Ten
Salem, Ore.



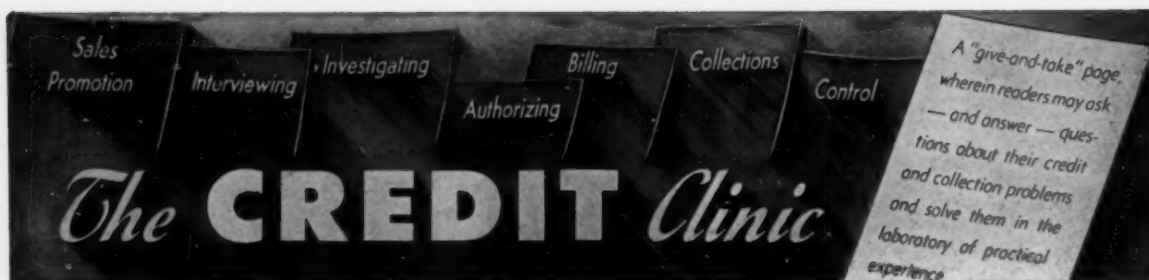
Marie Gower
District Eleven
San Francisco, Calif.



Mrs. Mary Zeller
District Twelve
Portsmouth, Va.



Mrs. Carol Arnold
District Thirteen
Chicago, Ill.



Medical, Dental and Hospitals

QUESTION

"When a patient has paid a substantial part of his bill yet refuses to take care of a small balance (from \$1 to \$10) or even to answer statements, letters, etc., should this account be turned over to a collection agency or written off without notifying the patient?"

ANSWERS

J. Bilger Bronson, Credit Manager, Rochester Regional Hospital Council, Inc., Rochester, New York: We recommend to the hospitals in our Council that it is a waste of time and money to bill for any charge under \$5.00 and on a charge of between \$5.00 and \$10.00, we suggest to them that they send out one statement and a final notice but we do not feel that it is worth turning over an account under \$10.00 to any collection organization.

Frances Hernan, Hospital and Professional Credit and Collection Consultant, Brookline, Massachusetts: The balance of the unpaid hospital bill should be checked carefully for errors. In my opinion, if the balance is correct, there is no reason why it should not be followed for payment as any other bill. After the second statement, the patient should be notified of the hospital's intention to turn the balance over to the local credit bureau. If no response, the account should then be transferred to the credit bureau as it is not good collection procedure to threaten and not carry through the threat.

Mrs. Jean V. Lansing, Credit Manager, Albany Hospital, Albany, New York: The question as worded—"refuses to take care of" prompts the question—"why does he refuse?" Perhaps, the individual posing the question means "refuse" in the sense of "ignoring contacts." In the latter, the amount is too small for the expense involved to refer the account to a collection agency. The amount should be written off without notice to the patient. There may be an instance of re-admission or further treatment and by complete and proper check of account files, there is the opportunity to approach for payment for this unpaid balance. If the small balance is because of late charges, a bill with explanation of the reason for the additional bill and one or two statements in follow-up; then write off.

Frank D. Luran, Citizens General Hospital, New Kensington, Pennsylvania: I take the question to have two points for consideration. First, if the patient has "refused" to pay a small balance, the proper course is to check the validity of the patient's refusal. Oftentimes, it is better for public relations to cancel such a balance,

if the patient's story sounds reasonable. However, the second point is one involving negligence of the debtor toward a small balance. In such cases, the hospital should not waste time and money in pursuing collection. Setting up a record of such an unpaid balance for reference on future admissions, is a mechanism that is often profitable. Demand for payment of the old balance when accepting the new admission impresses the debtor that the hospital is efficient. I do not believe it is economical to turn such small accounts over to collection agencies, because of the cost of clerical handling—typing of claim, postage, filing, etc.—costs that are often not realized.

Mary Ann Learned, Business Manager, Missouri Baptist Hospital, St. Louis, Missouri: This is a rather difficult question to answer in a few words, inasmuch as circumstances alter cases and each individual case must be analyzed. This question is not one of the main hospital problems. We have found in the vast majority of instances, when a patient pays a bill out of his own pocket down to \$10.00 or less, he usually will pay the remaining balance. In cases where the small balance may be above insurance payments or late charges, that is aftercharges which arrive in the business office after the discharge of the patient, it is an entirely different situation. In this case, the hospital does follow through with a series of letters and statements. If these are ignored, the Business Manager will determine if further action should be taken. Normally if balances are less than \$5.00, they are written off without any further action or notification; otherwise the accounts are referred to the agency for collection.

Stephen F. O'Connor, Business Manager, St. Mary's Hospital, East St. Louis, Illinois: I think this question embraces other questions. Does this balance represent a late charge or charges? Does it represent a balance after this substantial part had been paid on a part payment plan? If it represents a late charge or charges, I think better public relations are gained by not billing it in the first place. Imagine the chagrin of the patient who has paid many hundreds of dollars only to be dunned for the paltry sum of \$1.00 or \$10.00. If it represents a balance on an account, and the patient is fully aware of this balance, it is safe to assume that if he has paid this substantial amount in a diligent manner, something must have gone awry that would cause him to ignore statements or letters. Perhaps sickness, loss of work, or some other economical problem has entered that prevents this payment. In this case, I would suggest that he be notified that you are charging off the account to charity in order to close the account off the books. If he has been paying and if he can still pay, he will hesitate to take charity and your payment will be forthcoming promptly. If he cannot afford to pay it, he will be grateful to you that his record is clear. In no event should it be turned over to a collector due to the small amount of money involved and the attendant bad public relations.

Allen J. Perez, Jr., Administrator, Indianapolis General Hospital, Indianapolis, Indiana: In answer to the posed question with regard to the small balance payment on account, this question should be considered in two specific phases in accordance with administrative policy that may be laid down relative to small collection items as a result of large hospital expense. Illustration number one will deal with the patient who has been presented with a large hospital bill as a total amount, whose statement then is charged with a \$5 to \$10 late charge after a total amount had been stated to the patient. It is my opinion that in the interest of good public relations it is not practical to bill a patient, who may have paid several hundreds or even thousands of dollars, for a pittance amount, which was in actuality a late charge and not present or known at the time of the patient's total billing. Expense of collection procedure is generally more than the actual amount. In past practice I have found it to be beneficial to the hospital and persons concerned to credit this amount under an administrative policy type of allowance. It must be remembered that many of these persons are undoubtedly in the position to do the hospital much good by this consideration, rather than have them discuss with influential and well-known community people the inefficiencies of the hospital or clinical billing program. The second instance with regard to a small balance problem is that where a patient having known the exact amount of the expense and may or may not have signed a legal obligation, and in the course of their payments paid down to a very small amount, then at this point refuse or neglects to liquidate this remaining balance. In these cases, depending upon the balance remaining, it is necessary and imperative that the unpaid portion be forwarded to a reputable collection agency. However, in the event that the amount is less than \$10.00, it may by administrative policy be considered worthless to forward to the collection agency, and then in that case, it is suggested that it be written off as a bad debt, and so remain on the books. I make this statement since it is further suggested that upon admission of any patient to a hospital or clinic that all unpaid ledger accounts be checked, and upon checking, this unpaid balance would then be located. Upon proper presentation and discussion with the patient and/or responsible family members, the collection lever would be so terrific to the extent that you could insist without difficulty that this unpaid balance be paid prior to further hospital or clinical care. I have found this to work very satisfactorily in the past, and in the short amount of space allocated for this answer, it is not possible to go into great detail; however, upon inquiry, I would be most happy to answer any questions and suggest procedural measures.

Robert C. Sayles, Credit Manager, Rhode Island Hospital, Providence, Rhode Island: I believe this to be more of a problem in hospitals than in other credit fields first, because there was no advance agreement as to the total cost of the service being purchased, and secondly, hospital billing methods are not readily understood by the general public. Probably most confusing of all is the late charge that filters into the accounting office and is billed after the patient has paid his portion of the bill. Also not to be overlooked, are the psychological aspects of having to pay for something you did not want—plus the widespread belief that you were overcharged for something that some receive free. I feel transferring to a collection agency a sum under \$5.00 is a waste of time, money and effort, for the bookkeeping involved alone would equal the cost of any recovery. As for the balance of \$5.00 to \$10.00 inclusive—consider-

ing the "substantial part" already paid by the patient I would, after exhausting all remedies available (with special emphasis on explaining the reason for the balance) charge it off without notifying the patient.

A. T. Sutherland, Manager Collection Department, Madison General Hospital Association, Inc., Madison, Wisconsin: We charge off accounts up to \$10.00 ninety days after the last payment. If this patient should be re-admitted at a later date, we ask for this balance.

John A. Ward, Director of Credit, Lovelace Clinic, Albuquerque, New Mexico: In this instance I do not think it is worth while to turn the account over to a collection agency. A 50 per cent recovery is probably the most that you could hope for and the collection agency would probably not want to take any stringent action on this small an account. However, I do think that the patient should be notified that the account was being charged off to bad debts as in this manner it might provide some incentive for the patient to take care of the small balance outstanding.

Petroleum

QUESTION

"What effects will the tremendous developments in national credit card systems have on the petroleum credit cards which have been used for so many years?"

ANSWERS

Mrs. Dorothy Alexander, Arkansas Fuel Oil Corporation, Shreveport, Louisiana: There are several reasons why I do not feel that the national credit card system will have any effect on petroleum credit cards. Most petroleum marketers would object to a national credit card system. There is only one reason for issuing credit cards and that is to hold customers to a particular brand. I understand credit card companies charge retailers a commission for their service and most dealers are accustomed to free credit card service. The customers are accustomed to free credit card service and a national card would cost the customers extra money and I do not believe they will be willing to pay an annual charge for such a service. Most oil companies use embossed plastic credit cards with imprints. A national card would require uniformity in recording credit transactions and this, it seems, would be difficult with a national card. A summation might be the lack of experience in credit transactions, customer resistance, differences in accounting systems and a possible difference in credit standards and promotional emphasis. However, time will tell.

William Stockton, Manager Credits and Collection, The Atlantic Refining Company, Philadelphia, Pennsylvania: These universal credit cards will probably have little, if any, effect upon the petroleum industry's credit cards. We provide a service to our customers without any annual service charge and our dealers who make the sales are not subject to a six or seven per cent "discount." The economics involved in the petroleum industry with gross profit for the dealers and the comparatively small average credit sales appear to make it an unprofitable type of business for the universal credit card systems.

Jack Terry, Credit Manager, Independent Gasoline & Oil Company of Rochester, Inc., Rochester, New York: If the national credit cards continue to create an interest for the general public, and gasoline and allied products are among the featured items approved, it is

possible that the number of requests for separate petroleum credit cards will decrease—for a while. However, I believe that the net result in total gallons sold on a charge basis will, without a doubt, increase. One may ask: How long will the public prefer to pay a service charge for the privilege of carrying the card in their wallet when the petroleum people ask nothing for theirs? Many businessmen, of course, will continue to welcome the national credit card system since it cuts down on their company's time and expense by allowing them to send one check instead of a dozen each month. However, I believe that this type of holder is not in the majority. When the average consumer finds that it will cost him money to hold one of the national cards, he will either drop its use altogether or secure one that is "free"—this will undoubtedly be a national petroleum credit card—and if he can get one that will be reciprocal with all major petroleum companies in the nation, it will be a good card to have. I do not believe the tremendous recent influence of the national "You can buy anything on our card" program will do anything but help the petroleum business!

Public Utilities

QUESTION

"It seems to me that it is becoming more and more important in the Public Utilities field to take a complete credit application from each new customer. We had not always done this. What do the members of the panel think?"

ANSWERS

W. T. Barnhouse, Office Manager, Southern Union Gas Company, Austin, Texas: In Southern Union Gas Company Austin's office, no credit report was obtained on new gas customers until about one year ago. At that time, we started obtaining some credit information. This consists of a nearest relative's name and address, local telephone number, and place of employment. We do not run a credit check at the time of the gas service application. At a future date if the account becomes a credit problem or we lose contact with the customer completely, we have information to start a follow-up. This information has proved very helpful to us and I feel that this credit information is worth while and not expensive.

C. A. Burns, Credit Manager, Union Electric Company, St. Louis, Missouri: Public utilities are in somewhat of a "spot" as to securing complete credit history information on new customers applying for service. We have the problem of handling many thousands of such applications by telephone every year and many thousands of other applications from previous users. In the interest of economical operation as well as customer relations, it is important to get the basic information relating to the address, floor location, etc., as quickly as possible so other telephone calls may be promptly processed. In addition, most electric utilities leave service "hot" so service is immediately available when the customer moves in without his even calling the company. If we feel we should make our service so easily available it hardly seems in order to also require complete credit information. Based on our experience only a relatively few of the new customers, among the thousands of such applicants each year, will end up causing us bad debt losses. Since no crystal ball can tell us on which of these new applicants we will lose money, we cannot separate those we would like to query intensively. If we ask detailed information at the

time of the call, we are almost certain to offend many of the large majority who will pay us every bill they incur. If we mail out credit information requests later we again run into an expensive operation; we again take a chance on offending many good paying customers who will resent giving detailed information as an applicant for utility service, and we will find that a large percentage of the information so secured is unnecessary as we will never need it for collection purposes. Most retail stores obtain detailed information on new applications for charge accounts. Most of their applicants for charge and instalment accounts do not resent giving all information requested of them. This is due to the fact that they can buy for cash at retail stores and when they request credit terms for payment of purchases they ask for an additional privilege. In such cases they do not mind giving all credit information requested of them. In the utility business, however, the customer cannot buy for cash but must first use the product and then pay for it. Since he does not initiate the request for credit terms he is more likely to resent our asking for credit information. Then too, while almost always a real necessity, utility service is seldom considered by the customer to be a product purchased on a "credit" basis. The foregoing has been intended to point up some of the problems confronting us if we wished to get really complete credit information on our applications for service. It seems to us, at Union Electric, it is more desirable to obtain only a minimum of information necessary to provide some later tracing of "skips," etc. We try, therefore, to obtain only the previous address, and information as to the customer's employment. We have had good cooperation from employers in furnishing new addresses when asked for such information, and in some cases they have given us useful information even though the person inquired about was no longer employed by them. It seems to us that it is perhaps better long-run policy to analyze bad debt losses by areas, and to automatically request deposits of all applicants for service in the large-loss, poor-pay areas. While this admittedly results in obtaining many deposits we may not actually need, it does insure collecting many final bills with a minimum of collection effort and expense. We feel that this division between customers moving into a poor-pay area, and those moving into a good-pay area is more profitable than sorting out the "new" from the "old" customers.

W. A. Debus, Supervisor, Credit and Contracts Department, Baltimore Gas and Electric Company, Baltimore, Maryland: We have always taken a limited credit application from each new customer. We find that credit information is essential in detecting outstanding bills where customers previously used service but did not supply the correct prior service address when they were applying for service. This information is also used in accessing deposits. It is also important in helping to detect fraudulent cases where service is applied for in fictitious names. We have always felt that limited credit applications have been essential.

J. R. DiJulio, Credit Manager, City of Seattle, Department of Lighting, Seattle, Washington: Our utility, up to six years ago, required a signature on all residence applications. The application also required complete information such as: full name, wife's name, address, previous address, former customer at, business, owner or tenant. In 1953 we waived the signature on residence applications. A customer may now apply for residence service by making application at the main office or a branch office, by telephone or by letter. If information received by mail is not complete, no further effort

made to secure the omitted information. If the application is received by telephone or at the main or branch offices, the same information previously secured upon written application is requested. Since the change to this policy we have had no turn in our charge-offs to justify any change to requiring signatures. We will admit that in certain areas and on certain accounts we probably have taken some loss due to the lack of a signature or information. However, we feel that the additional loss, though small, cannot be compared to the savings involved. Our utility, at the present time, is not contemplating any change. I am of the opinion, however, that the customer should make application for his initial service in writing. The original application should require his signature. Accordingly, the continuance of service from one address to another may then be made merely by a telephone call. If a customer should leave the utility's service for a period to exceed one to three years, then a new application should be secured. I believe such a policy would give the customer a little more sense of responsibility to the utility. This is the type policy our leading department stores are using and have found most effective.

J. K. Jordan, Superintendent, Credit Department, Michigan Consolidated Gas Company, Detroit, Michigan: I believe that a credit application should be taken from each new customer. However, a minimum number of questions should be asked depending upon the degree of responsibility of the customer. In most instances one or two questions are sufficient such as current employment, family background, previous utility record, etc. If we are to maintain a good standard of customer relations, only necessary questions should be asked. In my opinion a complete credit application is not necessary as a company policy.

James E. Malone, The East Ohio Gas Company, Cleveland, Ohio: Within the past few years, the individual customer's use of public utilities services has increased to a point where the amount of money involved is of sufficient importance to warrant giving serious consideration to securing complete and accurate credit information from each new customer. First—to determine if the applicant is worthy of acceptance without some form of security. Second—to have some basis for starting collection action should the customer discontinue using our service and leave a delinquent final bill. Our operations, however, preclude an exhaustive credit investigation or verification of information received before acceptance of the application. Many of our applicants are new to our area and are without a local credit record. They are usually in need of immediate use of our services . . . frequently within a few hours. Once the application is accepted and the service made available, the account then becomes a matter of securing payment for the services rendered. I believe all new applicants should be required to furnish some basic credit information about themselves—such as complete first name, correct spelling of last name, wife's name, previous residential address, place of employment or source of income, and one or two personal references.

Reading this publication carefully and regularly will contribute to your success as a Credit Executive.

With this information, a trained clerk should be able, within the established company's policies, to approve the application or require security before the acceptance.

J. W. Mott, Arizona Public Service Company, Phoenix, Arizona: In any field, the importance of complete credit information cannot be overstressed. However, for practical reasons, many public utilities do not require a complete application from new customers. Most residential bills are comparatively small so we must weigh the cost of processing complete applications against the value of their ultimate return, i.e., the collection of the closing bill. When, as in the commercial-industrial account group, the bills are in much larger amount so that individual, rather than mechanical, collection effort may be economically feasible, the information contained in a complete credit application well justifies the cost of processing.

Richard T. Schatz, Washington Water Power Company, Spokane, Washington: It is important to get as much pertinent information as possible from new utility customers, but I do not think it necessary to get a complete credit application on all, mainly because of time and expense involved. Furthermore, because we are obligated regardless, by Public Service Commissions rules and regulations to open account and render service until account proves to be in default, I believe we should concentrate more on a good collection system to avoid loss. Therefore, I think a good collection coding system on all new accounts for prompt follow-up to suspension of service when in default, would be of more importance.

Automotive, Newspapers and Publishers

QUESTION

"How far can I go in relying upon my own past credit experience with a customer whose account becomes active after say three years inactivity?"

ANSWERS

Alice Bader, Motor City Sales & Service, Bakersfield, California: There are instances, particularly where a customer has been known to an organization for some years, and where past experience has been continually satisfactory, with such factors as address and employment remaining the same, reasonable credit may be extended after a three-year period of inactivity. However, this is an exception to the rule, as I feel it necessary to have up-to-date information on an account, and in a three-year period of inactivity, a number of factors could develop in a customer's credit file which may have a tremendous effect on his paying ability.

Henry G. Baker, Manager of Credits and Collections, The Oklahoma Publishing Company, Oklahoma City, Oklahoma: This is one where a set rule will not apply. If this party has a small business, has always been considered reliable and dependable, is outstanding in the community, you might take a chance. If it is a big business, been in business many years and always enjoyed the name of being a reliable and outstanding store, it should be considered good. However, we are finding more and more accounts that were good yesterday are contemplating taking bankruptcy tomorrow. We deal lightly with credit information that is more than six months old.

CREDIT DEPARTMENT

Letters

LEONARD BERRY

GOOD IDEAS, that is, right attitudes toward oneself, the job, employer, reader of the letter, and the purpose of the letter, are essential to creating the *successful selling letter*.

Mental preparation for better communications includes a sincere and genuine effort to see every matter through the eyes of the reader. Only when we accomplish this, will the letter have that natural and necessary **YOU** approach. Only when we think in terms of the reader's needs, desires, and dreams will the letter radiate the heartwarming quality of true thoughtfulness and courtesy which causes the reader to want to do willingly whatever it is we are suggesting. We best reach people along the path of persuasion. First, we emotionalize, then we rationalize.

Recent studies have brought out the startling fact that the vast majority of serious automobile accidents occur when the driver of at least one of the cars involved has been in an angry, resentful, disturbed frame of mind. Mental turmoil often manifests itself in reckless, dangerous driving. Anger and resentment find outlets in the driver's temporary mastery of a powerful machine, which responds instantly to his slightest touch. Mad at the world in general, he takes it out by furious driving, heedless of the safety of others, regardless of dire consequences. Collisions, sideswipes, and the like, often are the tragic result.

There is an analogy here with business correspondence. Letters dictated under the lash of anger and resentment carry with them the sting of the dictator's inward raging feelings. Such letters are deadly to good customer relations . . . they kill loyalty . . . they destroy friendship.

One successful correspondent says that he always avoids handling delicate adjustment matters until he has cleared from his mind all thoughts about the customer's seeming unfairness or unreasonableness. He strives in every way possible to see the situation *as the customer sees it*. He tries to understand the customer's emotional approach to the matter and makes allowances for that harsh criticism and those biting insults which are usually hurled in the heat of anger. If facing an angry customer, he remains calm and agreeable, even under the greatest pressure. This requires stern self-discipline but it is the only way, he maintains, to do the job of constructive adjustment his firm wishes him to do.

Effective selling letters are made up of three factors—the humanics, the dynamics, and the mechanics. Of these, the *humanics* are the emotional part. Here is where the spirit of the writer shines forth. Here is where the writer finds the way to the reader's heart. Here is where first is gained the reader's liking, and consequent acceptance of ideas.

The Royal Bank of Canada publishes a most valuable *Monthly Letter*. In the March 1959 issue the author has this to say about *style in writing*. "No one expects to write rainbows into a business letter, but if the manager

of a complaints department is writing to a distressed woman about her dissatisfaction with goods or services, he will not fob her off with the foggy-formal diction of a rubber-stamp letter, nor will he use the icy-sharp sentences of an inter-office memo."

Each business letter is a projection of the personality of the writer, and also of the firm, because the writer is the firm in the mind of the customer. To bridge the vast distance between one mind and another, and successfully accomplish the *persuasion* necessary in getting someone to do something willingly, requires that the correspondent possess a genuine willingness to understand the reader's problems and to suggest solutions based on an unselfish and sincere desire to serve him.

Those difficult tasks of collecting money, declining credit, making adverse adjustments, answering complaints, etc., all require a high degree of salesmanship. Such tasks should not be undertaken unless the writer is in a *service* frame of mind. The mood of the *reader* will be induced by the mood of the *writer*.

Willing compliance with suggested solutions of problems can never be attained unless the writer first gains the *liking* of the reader. And, this only comes when courtesy, sincerity, and cooperation are shown.

The foundation of effective letter writing is the mental approach of the writer to the selling task before him. On that sturdy foundation, a successful letter can be soundly constructed. Without, the letter is like a house built on sand.

This Month's Illustrations



Illustration No. 1. Here we have a "different" credit sales promotion letter. Harry Lepold, Manager Credit Sales, Kobacker Furniture Company, Toledo, Ohio reports excellent results with this "add-on" letter. The \$300.00 voucher is an insert and printed on stock similar to that used for bank checks.

Illustration No. 2. A most attractively printed and arranged credit sales promotion folder used by Hanny's, Phoenix, Arizona. The folder includes a complete credit application form and a postage-prepaid reply envelope.

Illustration No. 3. Another credit sales promotion folder, this one from Joske's, San Antonio, Texas. We show the front and inside pages of the folder. It is printed on good quality paper and measures 3" x 6" approximately. Very appealing.

Illustration No. 4. Here we show part of the series of printed forms used by the Boutell Company, Minneapolis, Minnesota. Our members are interested in seeing the printed forms successfully used by others. That is why we seize every opportunity of reproducing them. Have you sent samples of your letters and forms to us? Please share your ideas with fellow members.

Members have told us that they appreciate very much the letter illustrations which appear regularly on this page. You are invited to send *your* letters to us.

YOU CAN ADD-ON TO YOUR ACCOUNT AT KOBACKER'S NOW!

\$300 and 00cts

Mr. John Doe
1234 Main St.
Toledo, Ohio

①

NO DOWN PAYMENT
IF YOU DESIRE
NO INCREASE IN YOUR
PRESENT PAYMENTS

YOUR NAME --

-- on the above Preferred Customer Credit Certificate shows you are among a group of customers who are entitled to special credit privileges.

Because of the fine way in which you have handled your account -- you DON'T HAVE TO WAIT until you have paid your account in full before shopping again at KOBACKER'S. Just come to our store, select all the things you need for your home, in the amount indicated on your certificate, and simply add them to your account --

-- with NO DOWN PAYMENT and with NO INCREASE IN YOUR PRESENT PAYMENTS!

We hope you'll take advantage of this opportunity to easily add to the furnishings of your home. NOW, more than ever, you'll find wonderful values at KOBACKER'S -- the finest furnishings, floor coverings and appliances at the lowest prices of the season!

Why not stop in today? Don't "bring your purse" -- just bring your Preferred Customer Credit Certificate along, to get the additional things you need, now.

Cordially yours,

Milton Schurman

KOBACKER'S

Famous For Famous Brands

Use your Kobacker account to buy the furnishings you need NOW!

Open Monday and Thursday to 9:00 P.M., Tuesday, Wednesday, Friday and Saturday 'til 5:30 P.M.
324-326 Summit Street
Toledo 4, Ohio

Phone Cherry 8-4631



②

Hanny's Announces

**A NEW CHARGE ACCOUNT
FOR COLLEGE STUDENTS
AND YOUNG EXECUTIVES**



32 NORTH PAST STREET PHOENIX, ARIZONA

HANNY'S CAMPUS CHARGE ACCOUNT LETS YOU ...

- Charge up to \$50.00 and pay only \$10.00 per month
- Shop with charge account convenience
- Buy what you want ... when you want it
- Buy without any down payment

A small service charge will be added each month.

Regular 30-day accounts also available



*Featuring Authentic Ivy Fashions
by these famous brands*

GANT OF NEW HAVEN
SOUTHWICK CLOTHES
COLLEGE HALL CLOTHES
MAJOR SLACKS
LITKINSK FINE SUITWEAR
BUTTERICK SHIRTS
HUGOBOSCH, LTD., IMPORTS

A Convenience
for Joske's Customers

③

JOSKE'S REVOLVING Charge Plan

JOSKE'S realizes that most of our customers have times each year, Easter, Back-to-School and Christmas, when they must make large purchases of clothing or gifts.

JOSKE'S Revolving Charge Plan is designed to benefit these customers by eliminating heavy obligations or peak purchasing periods, spreading payments over a long period, and yet always making additional credit available on a continuing basis.

JOSKE'S Revolving Charge Plan is especially designed to meet family budget problems on a sound and helpful basis. It makes it easy to make family income meet your family's re-merchandising requirements.

Questions and Answers you might have concerning Joske's Revolving Charge Plan

Q. **HOW DOES THIS REVOLVING CHARGE ACCOUNT WORK?**

A. You decide how much you want to pay monthly (\$10, \$15, \$20 or \$25). This chart shows the amount of credit you get for the monthly payment you decide upon.

MONTHLY PAYMENT	CREDIT AVAILABLE
\$10	\$40
\$15	\$60
\$20	\$100
\$25	\$150

Q. **IS THERE A SERVICE CHARGE FOR A REVOLVING CHARGE ACCOUNT?**

A. Yes, there is a small service charge of 1 1/2%. This means that you pay one and 1/2% percent on each dollar of the balance shown on your monthly bill.

Q. **IS IT DIFFERENT FROM A REGULAR CHARGE ACCOUNT?**

A. Yes, Joske's Revolving Charge Plan provides for continuing re-merchandising based on the credit limit you have requested. A regular Charge Account must be paid in full each month.

Q. **MAY I PAY MORE THAN MY MONTHLY PAYMENTS?**

A. Yes, additional payments can be made at any time. If you do pay more than agreed each month, that much more credit is available to you or Joske's.

Q. **DO I GET A MONTHLY STATEMENT?**

A. Yes, you receive a regular statement each month just as you would if you had a regular charge account.

Q. **DO I GET A CHARGE-PLATE?**

A. Yes, all Revolving Charge Accounts are issued an identifying charge plate which makes your shopping quicker and easier.

Q. **MAY I HAVE A REGULAR CHARGE ACCOUNT AND A REVOLVING ACCOUNT AT THE SAME TIME?**

A. No, you may have one or the other.

Q. **DONES MY ACCOUNT HAVE TO BE PAID UP IN FULL BEFORE I CAN USE IT AGAIN?**

A. No, if you pay as long as you want to use it, provided your monthly payments are made regularly, and your total purchases do not exceed your credit availability. For example, let's say your credit availability is \$120.00. You spend the entire amount in one month and make your first payment of \$20.00 when billed. You then have available for additional purchases \$20 without affecting the amount of your monthly payment.

Q. **WHAT HAPPENS IF MY PURCHASES EXCEED MY CREDIT AVAILABILITY?**

A. Come to the credit office on the 4th floor and make arrangements to have your credit availability increased.

Q. **SUPPOSE I WANT TO BUY A FUR COAT, LARGE APPLIANCE OR SOME OTHER UNUSUALLY LARGE PURCHASE AND I WANT TO TAKE MORE THAN 6 MONTHS TO PAY FOR IT. CAN I USE THE REVOLVING CHARGE PLAN?**

A. No, the Credit Office will arrange a convenient Budget Payment Plan for your large purchases.

Dear Customer:

The amount shown on this statement of your valued account is a balance brought forward from the preceding billing period.

Probably an over-sight ... or perhaps a delay on our part in processing a credit memo or not completing a service adjustment. If there is, by all means let us know.

Your usual prompt helpfulness is invited and will be appreciated.

Thank you,
BOUTELLE
Credit Sales Department

④

Is Something Wrong...

with the unpaid balance on this statement which continues to remain unpaid? If there is -- please let us know at once.

Otherwise, we can only assume this amount is correct and you just haven't gotten around to sending us your payment. But, since your account is now past due, won't you send us a check right away -- or let us know when we may expect it.

Thank you,
BOUTELLE
Credit Sales Department

P.S. If you have just sent us a payment, please disregard this reminder and accept our sincere thanks.

Have You Realized...

that three months have gone by and we still have not received full payment of your over-due balance?

If something unexpected has happened to prevent you from sending us a check, won't you come in and tell us about it. Then we will do everything possible to help you. But when you don't let us know what is wrong, you only let our hands.

So, do come in this week for a frank chat. You will find us most anxious to cooperate with you in every way.

Sincerely,
BOUTELLE
Credit Sales Department

LOCAL ASSOCIATION *Activities*



Charleston, South Carolina

At the annual meeting of the Charleston Credit Managers Association, Charleston, South Carolina, the following officers and directors were elected: President, H. J. Almers, South Carolina National Bank; First Vice President, W. W. Muckenfuss, Miller Cadillac Company; Second Vice President, Melvin Solomon, A. M. Solomon and Sons; and Secretary-Treasurer, Francis J. Oliver, Credit Bureau of Greater Charleston.

New Orleans, Louisiana

At the annual meeting of the Retail Credit Association of New Orleans, New Orleans, Louisiana, the following officers and directors were elected: President, Walter J. Sarraf, Maison Blanche Company; First Vice President, John A. Brewer, Sears, Roebuck & Company; Second Vice President, Cecil C. Elish, D. H. Holmes Company; Secretary, Roy A. Grashoff, Globe Auto Finance; Treasurer, Emile Blum, Maison Blanche Company; and Advisory Counselor, Duke D. Dalferes, Jr., Gulf Oil Corporation. Directors: Dick Erichson, New Orleans Retailers' Credit Bureau; Ralph M. France, Progressive Bank & Trust Company; H. J. Leblanc, Labiche's; Randall Lewis, Rosenberg's; Robert G. Poche, Beach Brothers; Paul E. Ricks, Barnett's; William F. Romair, D. H. Holmes Company; Hugh F. Shall, Godchaux's; and Stanley E. Vandrell, Kreeger Store.

Albany, New York

At the annual meeting of the Retail Credit Association, Albany, New York, the following officers and directors were elected: President, Charles Schneider, Mechanics & Farmers Bank; Vice President, James Dalton, First Trust Company; Treasurer, Edward Sullivan, The Peerless Company; and Secretary, Mrs. Ediemia Boulton, Wonder Children's Shop.

Fort Worth, Texas

The Retail Credit Managers of Fort Worth, Fort Worth, Texas, elected the following officers and directors for 1959-1960: President, Howard C. Nelson, Everybody's Department Store; Vice President, Leonard L. Polk, Kemble Brothers; Secretary-Treasurer, Howard G. Chilton, Credit Bureau of Greater Fort Worth; and Assistant Secretary-Treasurer, Mrs. Grace Scruggs, Credit Bureau of Greater Fort Worth. Directors: Roland E. Bratton, Fort Worth National Bank; John R. Clark, Monnig's; D. Q. Corley, Almar-York; Douglas A. Elliot, Continental National Bank; Owen M. Jones, Washer Brothers; Ray E. Kamin, Pacific Finance; Jack H. Krause, Wholesale and Manufacturers Bureau; R. J. Leonard, Fort Worth Bone and Joint Clinic; John A. McElroy, Leonard Brothers; Mrs. Margaret Murray, Union Bank & Trust Company; Oscar M. Randolph, Meacham's; Mrs. Elizabeth Slate, Specialty Service Company; Charles C. Van Geem, A. Davis; James T. Webster, The Fair; and Mrs. Ann Gaddis, Kruger's Jewelry.

New York, New York

The 1959 officers and directors of the Associated Retail Credit Men of New York, New York, are: President, John T. McCaffery, A. Sulka & Company; Vice President, Sigmund R. Trotta, Brooks Brothers; and Secretary-Treasurer, R. M. Severa, Credit Bureau of Greater New York. Directors: Walter E. Babb, Stern Brothers; Jack Hecht, B. Gertz; John M. Hilgert, Lord and Taylor; Joseph M. Jentis, Bloomingdale's; Joseph P. Searing, W & J Sloane; George S. Watkins, Martin's; and John H. Taylor, Black Starr & Gorham.

Bristol, Virginia-Tennessee

The new officers and directors of the Bristol Credit Granters Association, Bristol, Virginia-Tennessee, are: President, W. W. Vine, Credit Bureau of Bristol; Vice President, M. W. Griffin, Home Credit Company; Secretary, Mrs. Ethel Keesling, Burroughs Shoe Store; and Treasurer, Fred Ackermann, III, Bristol Monroe Federal Employees Credit Union. Directors: Mrs. David B. Weinstein, The Jewel Box; Mrs. Virginia Almany, Dominion National Bank; Mrs. Iris Davis, Home Furniture Company; Charles Kosciwicz, Bristol Memorial Hospital; and Robert Tanksley, McClure Motors.

Butte, Montana

The new officers and directors of the Butte Retail Credit Association, Butte, Montana, are: President, G. V. Fischer, Metals Bank & Trust Company; Vice President, A. R. Grefig, Pioneer Lumber Company; Treasurer, Lucille Steele, George Steele Company; and Secretary, Rose Shaw, Credit Bureau of Butte. Directors: Jack Flannery, Monarch Lumber Company; Phil Judd, Phil Judd Sporting Goods; George Thomas, Thomas Dry Goods; Mike Begley, The Texas Company; S. L. Peterson, Firestone Stores; Betty Craine, Burrs Department Store; and Walter Sewell, Sewell Hardware.

Austin, Texas

The new officers and directors of the Retail Credit Executives of Austin, Austin, Texas, are: President, Betty Ryan, Davis Hardware; Vice President, James Gramann, Mutual Savings & Loan; Treasurer, Verne Grossnickle, Merritt-Schaefer & Brown; and Secretary-Treasurer, Mrs. Horace C. Barnhart, Retail Merchants Association. Directors: Chester Ayers, Reed Music Company; Sam Saw, Cabaniss Furniture; Estelle McMurtrie, Renfro Drug; Jasper Jernigan, Scarbrough's; Scott Clay, Bridges Furniture; and Joyce Dies, Stableford Pontiac.

Register NOW

TURN TO page 19 of this issue of *The CREDIT WORLD*, cut out the registration blank for the Dallas Conference, fill it in and send it to the National Office NOW. Plan to bring the family too. Send the blank in without further delay.



★ Items of Interest From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

D. C. Garnishment Bill Passed by House—May Pave Way for National Legislation: The archaic District of Columbia garnishment law which has been functioning—or rather mal-functioning for 58 years—according to a host of qualified witnesses, including judges and Bar Association representatives, seems at last on its way to legislative burial. Its passing may lay the foundation for favorable consideration of the type of national garnishment law, applicable to federal employee judgment-debtors, sponsored by Representative Thomas B. Curtis (R. Mo.) since the first session of the 83rd Congress. Judge Milton S. Kronheim, Jr. of the District of Columbia municipal court has been one of the most active exponents of garnishment reform, but the Bar Association and many other groups have joined in the fight. There have been two main grounds of criticism of the present law: First, the typical judgment-debtor was a wage earner with a large family and a small income, who had been over-sold by the so-called "borax" merchant in the first place, and who, under the provisions and procedures of the present law, hardly had an exemption at all. In consequence, all too often such judgment-debtor had his entire earnings tied up or paid over to the creditor, and he and his family became a charge upon the community. Secondly, under the provisions of the present law these "borax" stores had virtually made a collection agency out of the municipal court. Judge Kronheim said that they had made a "garnishment mill" of it. These judgment-creditors did not sell on the basis of credit-worthiness. Providing only that the customer-debtor had a job, they sold on the basis of using this sure-shot method of collecting. The records showed that approximately 1000 garnishments per week—said to be the highest per capita rate in the country—were taken out by a dozen or so of these same easy credit "borax" houses. This year, following a number of previous efforts, public support for reform became intense. Congressman John L. McMillan (D. S.C.), Chairman of the House District Committee—long interested in the subject—introduced H. R. 836. Hearings were held the middle of March, and on April 13 it passed the House. It is now before the Senate District Committee, and as Senator Alan Bible, Chairman of that Committee, has introduced a similar bill, favorable action seems assured. Hearings, however, have not yet been scheduled. H. R. 836, the House passed bill, set up a sliding scale of exemptions, and other provisions, designed to give maximum protection to the low income wage earner, which it is believed will cut down the extension of "easy credit" to low income persons or persons already in debt, thereby reducing the number of garnishments; it is also designed to protect the employer-garnishee from repetitious and unnecessary appearances in court. It should likewise effect savings of the taxpayers' money and save the court's time for more important work. Of unusual interest is the fact that a series of seven articles

which appeared in the *Washington Post* and *Times-Herald* shortly before the House held hearings, and which described in detail the practices of the "borax" stores, and how they had made a "collection agency" out of the court, were inserted in the Congressional Record by Representative Richard E. Lankford (D. Md.), who said: "The distressing conditions caused by this archaic law are well known to me and I believe that Mr. Mintz (author of the articles) has performed a real service to the community by his excellent analysis of the situation existing today as a result of easy credit operations." The articles appear in the following daily issues of the Congressional Record: February 16, 23, 24, 25 and 26, and March 3 and 6. From the beginning of the effort to pass a national garnishment law, applicable to federal employee judgment-debtors, the bad repute of the District of Columbia garnishment law has been a thorn in the side of that effort. As long as Congress was aware of these many abuses, and as long as the heads of federal departments and agencies believed that a stream of garnishment papers suggested by the municipal court experience in the D. C. would be served upon them, requiring payroll aids to appear in court with the records of the employee-judgment-debtor, there was little likelihood that Congress would adopt such legislation. The present bill, and the wide publicity that has attended its passage in the House, may go a long way to change this entire situation, and to open the door to action on the Curtis bill.

Wage Earners' Plans Amendment Broadens Scope of Chapter XIII: A bill to eliminate the existing \$5,000 ceiling as to the eligibility of persons to come under Chapter XIII of the Bankruptcy Act passed the House on March 16, and on April 13 the Senate Judiciary Committee approved it. Although there is no immediate indication when the bill will be voted on in the Senate, its passage in the present session of Congress seems assured. The new language omits any money qualification and simply defines a wage earner as "an individual whose principal income is derived from wages, salary, or commissions." The bill also amends another section of the Act by permitting the referee to *reduce* the percentage of monies received for the trustee's commission where a trustee is handling a large volume of Chapter XIII cases, as for example at Birmingham, thus decreasing the cost to the debtor. The timeliness of the extension of coverage and of the lowering of the cost in Chapter XIII proceedings is indicated by increased filings under this Chapter, which went up 16 per cent in fiscal 1958 over 1957, and the volume of cases under the Chapter is still climbing. ★★

CREDIT FLASHES

Sterling S. Speake Credit Schools

Credit schools have recently been conducted by Sterling S. Speake in the following cities:

Chattanooga, Tennessee
Monroe, Georgia
Waycross, Georgia
Goldsboro, North Carolina
Dalton, Georgia
McAlester, Oklahoma
Prescott, Arizona
Oakland, California
Pasadena, California
Santa Monica, California

Bellflower, California
Sulphur, Louisiana
Columbus, Ohio
Akron, Ohio
New Philadelphia, Ohio
Sioux City, Iowa
Hastings, Nebraska
Leavenworth, Kansas
Winona, Minnesota
St. Paul, Minnesota

Many other schools are being planned for future dates. The school has been revised and is now presented in two nights from 7:00 to 10:00 p.m. If your city is interested in having Mr. Speake conduct a professional streamlined credit school for you, please write the National Office for details and open dates.

E. W. Reames Writes Handbook

Ernest W. Reames, Manager of Credit Sales, Hogg Brothers, Salem, Oregon, has completed a book designed to assist the new credit secretary as she enters the profession. The compiling of the book took two years and it is entitled *Credit Secretary's Handbook*. Some of the topics include: The Big Three of Credit; Check Flashes; Credit Application; Duties and Rules for the Secretary; Obtaining Credit Information; Office Smoke Signals; Telephone Technique; The Credit Wheel; To Help You Learn; What's in a Name? and Would You Hire Yourself? Mr. Reames is first vice president of District Ten, N.R.C.A., Alternate National Director, District Ten, N.C.R.A., and is a past president of the Salem Retail Credit Association.

New Jersey Association Elects

At the annual meeting of the Retail Credit Association of New Jersey held at Belleville, New Jersey, the following officers and directors were elected for 1959: President, Raymond W. Wolfe, Mechanics Finance Company, Jersey City; First Vice President, Richard F. Ehlers, L. Bamberger & Company, Newark; Second Vice President, William E. Demarest, Credit Bureau of Newark; and Secretary, William E. Dunkinson, Jr., 47 Woodland Avenue, East Orange. Directors: John A. Schauer, Garden State Credit Bureau, Clifton; Richard S. Ashley, Fidelity Union Trust Company, Newark; John Piermonte, Quackenbush Company, Newark; Fred Zuendt, Huffman & Boyle, Newark; Arthur S. Zucker, The Hub Loan Company, Newark; Walfred Abrahamson, Public Service Electric & Gas Company, Newark; Conrad C. Legare, First National Bank and Trust Company of Paterson; Marie March, L. Bamberger Company, Newark; Kenneth H. Compton, Plainfield Trust Company, Newark; and Alfred Schrama, National State Bank, Newark.

For Sale

Will sell established credit bureau covering entire county. P.O. Box 900, De Soto, Missouri.

Coming District Meetings

District One (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Province of Quebec, New Brunswick, Nova Scotia, and Prince Edward Island, Canada) will hold its annual meeting at the New Ocean House, Swampscott, Massachusetts, May 17, 18, and 19, 1959.

District Eight (Texas) will hold its annual meeting in conjunction with the 45th Annual International Consumer Credit Conference, Dallas, Texas, June 21, 22, 23, 24, and 25, 1959.

District Nine (Colorado, New Mexico, Utah, and Wyoming) will hold its annual meeting at the Hotel Utah, Salt Lake City, Utah, May 17, 18, and 19, 1959.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, Provinces of Alberta, British Columbia, and Saskatchewan, Canada) will hold its annual meeting at the Winthrop Hotel, Tacoma, Washington, May 16, 17, 18, and 19, 1959.

Reprints Available

Reprints of the analysis of Chapter XIII of the National Bankruptcy Act which appeared on pages 19-23 of the November 1958 issue of *The CREDIT WORLD* are now available. A copy of Chapter XIII is also included in the eight-page reprint. Prices are: 1-10, 10 cents each; 11-25, 7½ cents each, over 25, 5 cents each. Order from National Retail Credit Association, 375 Jackson Avenue, St. Louis 30, Missouri.

Correction

A word was inadvertently omitted from a reply by Harry W. McMillan in the Dairy and Baking section of the *Credit Clinic* in the April 1959 *CREDIT WORLD*. The sentence should have read, "Any active monthly account that owes more than *three* months bill will have to be collected and held on a 90-day current basis or less." We apologize to Mr. McMillan for leaving out the word "three."

Help Wanted

If you are a "comer" this is an exciting opportunity. We are a rapidly growing chain of retail homefurnishings stores in a large midwest city. Our expansion has created an opening for an assistant collection manager. The man we are seeking will assist in the direction and training of personnel in a large collection department. The requirements are: 1. background in retail installment collection; 2. flair for training people; 3. ability to organize and administer functions of large, fast moving department; and 3. an appetite for the kind of work necessary to grow with a dynamic organization. This is a top job and we want the best man available. Box 5591, *The CREDIT WORLD*.

TELEPHONE COLLECTOR wanted to work in West suburban area of Chicago. Excellent opportunity for right person. Write Harry W. Sterling, Manager, Western Cook County Credit Bureau, 105 North Oak Park Avenue, Oak Park, Illinois.

Consumer Credit Management Program

The Consumer Credit Management Program will be held June 7-12, 1959, at the Arden House, Harriman Campus, Columbia University. This is a specialized program for executives who are engaged in, or being trained for administrative positions at the managerial level. Applicants will be selected from among the applications on the basis of policy-making experience and interest in the field of consumer credit with a view to securing in the membership representatives from all branches of the consumer credit industry. Registration will be limited to 56 members. The National Retail Credit Association is one of the sponsors of the program and this year will be represented by Clarence E. Wolfinger, Philadelphia, a Past President of N.R.C.A.

Consumer Credit for February

Consumer instalment credit outstanding increased \$333 million during February after allowance for seasonal factors. The increase was less than in January but exceeded that of any other month since early 1956. Extensions, seasonally adjusted, rose to \$3,816 million, slightly above the previous month's high. The expansion in outstanding credit was moderated by a rise in repayments from the relatively stable level of recent months.

Automobile paper, which increased \$173 million seasonally adjusted, continued to be a major factor in the growth of total outstanding credit. Other consumer goods paper and personal loans each increased about \$70 million.

Outstanding noninstalment credit rose \$118 million during February after allowance for seasonal influences. The increase reflected principally an expansion of about \$100 million in single-payment loans. Total consumer credit increased \$451 million.—Federal Reserve Board.

Salem Honors Past Presidents

The past presidents of the Salem Retail Credit Association, Salem, Oregon, were recognized at their annual meeting by receiving a beautifully framed certificate designed by Past President Steve Stevens. In the past a desk pen set has been given to each retiring president but it was felt that the additional certificate to adorn the office wall will give even a greater prestige to a man or woman who has served in the presidential capacity. Shown below are the past presidents who received the certificate recently. Left to right, are: Ernest W. Reames, Hogg Bros. Furniture & Appliance, 1957; Steve Stevens, General Finance, 1958; Hugh Adams, Hamilton Furniture Company, 1938; Paul Wilson, Portland General Electric, 1944; Phil D. Schramm, Capitol Loan Company, 1954; Rex Gibson, United States National Bank, 1947; W. J. Braun, Willamette Credit Company, 1946; Vernon Livingston, Mayflower Dairy Cooperative, 1949; and William R. Brunkal, Roberts Brothers, 1955.



S. H. Womack Schools

S. H. Womack has conducted his "Human and Public Relations" course in the following cities since January:

Macon, Georgia
Marietta, Georgia
Bristol, Virginia
Spartanburg, South Carolina
Greenville, South Carolina
Charlotte, North Carolina
Lakeland, Florida

Tampa, Florida
Greenville, Alabama
Wichita Falls, Texas
Oakland, California
San Mateo, California
Galesburg, Illinois
Detroit, Michigan
Huntington, West Virginia

Mr. Womack will open his fall itinerary in Western Canada and will hold classes in the western section of the United States including the Pacific Northwest. All classes will be held on a two-night basis and there are some open dates. If your city is interested in having him conduct a school, write the National Office.

Robert D. Roberts Retires

Robert D. Roberts, General Credit Manager, Union Oil Company of California, Los Angeles, California, retired May 1, 1959, after being associated with the company since 1917. His service to the credit fraternity include: President, Credit Managers Association of Southern California; President, District 11, N.R.C.A.; Director, N.R.C.A.; Director, American Petroleum Credit Association; and as a member of the Credit Committee of the American Petroleum Institute. He also taught credit subjects at U.C.L.A. Extension Division for eight years. His retirement will offer opportunities for travel, time for play with his grandchildren, some golf and some service with the Presbyterian Church in Beverly Hills. He expects to attend the Olympic Games in Rome in the summer of 1960 and while in Europe he expects to visit his schoolboy home in Lancaster, England, as well as to visit his wife's folks in Glasgow, Scotland.

New Postal Zone Number

As this issue of The CREDIT WORLD was ready to go to press we were informed by the Post Office Department that the postal zone number was changed from 5 to 30. So, the correct address of the National Office is now:

National Retail Credit Association
375 Jackson Avenue
St. Louis 30, Missouri

For Sale

Credit Bureau with collection department in central Texas County seat. Population over 7,500. Large trade area. Average temperature 68.4. Other business reasons for selling. Box 5592, The CREDIT WORLD.

editorial comment

A Contribution To Profitable Credit

Reference has been made, in my visits over the country, to failure of credit granters:

1. To respond promptly to requests for paying habits of customers, high credit, amount owed and when the account was opened.

2. To report to the credit bureau past-due accounts or those in an overbought condition in the interest of credit granters and customers alike.

3. To delay the placing of accounts in the hands of the professional collector while there was still an opportunity to effect settlement.

In this connection I quote from the National Retail Credit Association booklet *The Road to Profitable Credit*.

1. Don't extend credit without first obtaining a complete credit report on the applicant.

2. Don't extend credit on a "hunch" or the fact that you are acquainted with the applicant or he has been a cash customer.

3. Don't make a partial check by telephoning or writing references furnished by the applicant. Naturally, in most cases, he will be in good standing with such firms. A complete credit report, in the long run, will prove the cheapest and you will be assured of good and bad information alike—a true picture of the applicant's record and ability to pay.

4. Don't withhold information from the cred-

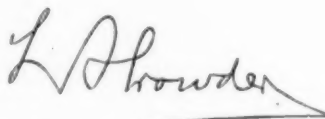
it bureau longer than is required to check your records. It slows up the service of the bureau and the inquiring member and makes for extra handling by all concerned. This increases the cost of bureau operation and additional costs must be absorbed by all members.

5. Don't extend credit in the face of unsatisfactory information, because you may feel that the customer will pay you—that you are a better collector. It just doesn't happen that way often enough to warrant the risk involved.

6. Don't permit past-due accounts to run indefinitely. If you are unable to make collection within four and not more than six months, other steps should be taken. The longer you delay action, the more difficult the collection. Usually the collection fees are based on the age of accounts and collection prospects are brighter in the early stages of delinquency. Therefore, you save money when such accounts are promptly placed in the hands of the collection department of the credit bureau or the agency used by you.

7. Don't delay closing accounts of slow-paying customers or those who overbuy. Your bad debts are largely made up of accounts in the two categories, plus those on which credit was extended without sufficient information.

Follow the above suggestions and you will find it less difficult to make credit profitable.




General Manager-Treasurer
NATIONAL RETAIL CREDIT ASSOCIATION



APPLICATION FOR CREDIT
FOR EXCLUSIVE USE OF MEMBERS OF

NATIONAL RETAIL CREDIT ASSOCIATION



LAST NAME _____ FIRST NAME _____ INITIAL _____ AGE _____ HUSBAND'S FIRST NAME (WIFE'S MAIDEN NAME) _____

RESIDENCE ADDRESS _____ TELEPHONE _____

OCCUPATION _____ HOW LONG _____ BUSINESS ADDRESS _____

NAME OF EMPLOYER _____

FORMER BUSINESS OR OCCUPATION _____ AMOUNT OF MORTGAGE _____

LOCATION OF REAL ESTATE OWNED _____ NUMBER OF CHILDREN _____

RENT HOME ☐ RENT APARTMENT ☐ BOARD ☐ AT HOME ☐ EMPLOYED ☐

NAME OF NEAREST RELATIVE AND RELATIONSHIP (OTHER THAN HUSBAND OR WIFE) _____ ADDRESS _____

PERSONAL REFERENCE _____

CHECKING ☐ SAVING ☐ BRANCH _____

NAME OF BANK _____ APPROVAL INCOME \$ _____

LIFE INSURANCE \$ _____ NAME OF INSURANCE CO. _____

TRADE REFERENCES

TYPE OF BUSINESS	KIND OF MORTG. BOUGHT	COST	
		PER	PAY TO DATE

I, THE UNDERSIGNED, OF THIS APPLICATION, UNPAID BALANCES ON INSTALLMENT ACCOUNTS AND MONTHLY PAYMENTS THEREON. THE ABOVE INFORMATION IS FOR THE PURPOSE OF OBTAINING CREDIT AND IS WARRANTED TO BE TRUE. I AGREE TO PAY ALL BILLS UPON RECEIPT OF STATEMENT OR AS OTHERWISE EXPRESSLY AGREED.

DATE _____ CREDIT LIMIT _____ APPROVED _____ SIGNATURE _____

PRINTED IN U.S.A. FORM NO. 1

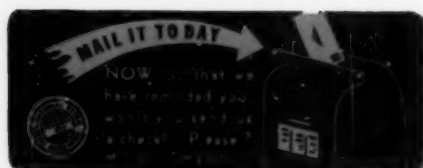
Four Good Reasons—

—Mr. Manager of Credit Sales, why you should be using this new revised Application for Credit:

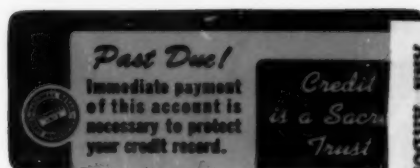
- 1** Designed for you by outstanding authorities who are N.R.C.A. members.
- 2** Gives you the important information to properly evaluate the account.
- 3** Helps your Credit Bureau prepare report by providing all necessary information.
- 4** Your customer will appreciate the ease and speed of the interview.

Size 6" x 9", 100 to the pad.
100—\$1.50, 500—\$6.00, 1,000—\$10.00
Postage is extra

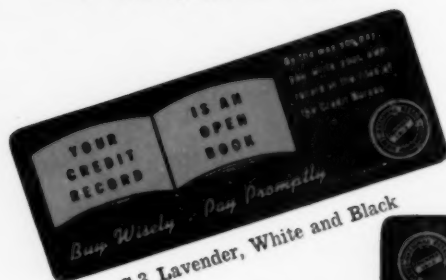
NATIONAL RETAIL CREDIT ASSOCIATION
375 JACKSON AVENUE ST. LOUIS 30, MISSOURI



C-1 Yellow, Blue and White



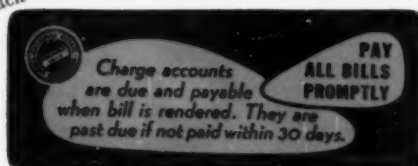
C-2 White and Black



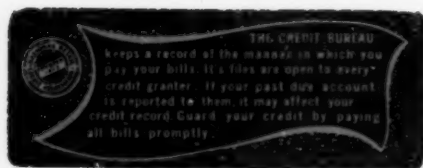
C-3 Lavender, White and Black



C-4 Yellow and Black



C-5 White and Black



C-6 Yellow, White and Black

Stickers are shown at two-thirds actual size.

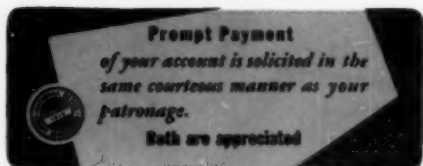
Prices are:

500	\$2.25
1,000	4.00
1,000 (assorted)	4.50

Write today for free sample kit showing full line of these effective collection aids.



C-7 Chartreuse and Black



C-8 Red and Black



P-3 White and Blue

✓ Check These Six Statements

Mr. Manager of Credit Sales

and you must agree that by using N.R.C.A.'s new collection stickers, you will be assured:

- ✓ 1. That your customer will receive the collection notice early.
- ✓ 2. That time will be saved. Many more hundreds of accounts can be handled during the day.
- ✓ 3. That money will be saved by reducing cost of writing expensive form notices.
- ✓ 4. That collections will be faster. Customers pay the firm who makes the first request.
- ✓ 5. That sales will be promoted. Customer deals with the firm where her account is liquid.
- ✓ 6. That your customer will not object to an inoffensive yet persuasive reminder.

Another service of

NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE

ST. LOUIS 30, MO.

MR. EUGENE B. POTER
UNIVERSITY MICROFILMS
313 NO. FIRST ST.
ANN ARBOR, MICH.